

A PRESIDENT ON TRIAL

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Clinton's Fate Is Now in Hands of the Senate**Iraq Mission Over, But U.S. and U.K. Remain on Alert**By Brian Knowlton
International Herald Tribune

WASHINGTON — The United States and Britain said Sunday that a four-day mission of air strikes at Iraq had been successfully completed, but they added that they would retain substantial forces in the region and would stand ready to attack again if President Saddam Hussein tried to rebuild his weapons arsenal.

Secretary of State Madeleine Albright called the four waves of strikes over a 70-hour period a "successfully accomplished mission." She said Mr. Saddam's ability to threaten his neighbors, and to manufacture and deliver weapons of mass destruction had been "severely degraded." But Mrs. Albright added, "We reserve the right to use force again."

Iraq said that 68 people had been killed in the raids on targets in Baghdad and elsewhere. The United States and Britain reported no casualties.

The punishing air campaign, which began a day before the U.S. House of Representatives was set to decide President Bill Clinton's impeachment and ended on the day he was impeached, brought sharp questioning and expressions of anger

More about the attack on Iraq, Pages 2 and 3.

and cynicism from some of the president's domestic critics, and all but his closest foreign allies.

Amid widespread French criticism of the raids, President Jacques Chirac proposed a review of the international oil embargo in place against Baghdad since 1990.

Russia recalled its ambassador to the United States and Britain in protest. President Boris Yeltsin called the attacks "senseless and illegal."

There were also questions about what had been accomplished, about what would come next and about the long-term U.S. and British strategies against an Iraqi leader who has survived every form of pressure, foreign and domestic.

Those doubts were underscored when the Iraqi government vowed Saturday that it would resume all future cooperation with the UN Special Commission or Unicom, which was created at the end of the Gulf War to monitor the destruction of banned Iraqi weapons and to ensure that they would not be rebuilt.

Without those inspectors within Iraq, efforts to control Iraqi weapons activities will rely largely on aerial surveillance and the ability to renew air strikes, acknowledged Defense Secretary William Cohen and the chairman of the Joint Chiefs of Staff, General Henry Shelton.

Mr. Saddam, in a speech broadcast to the country, proclaimed victory in the confrontation. Iraq had offered almost no resistance to the overwhelming air attack, the most substantial since the Gulf War.

Mrs. Albright and other members of Mr. Clinton's national security team said the strikes were the best way to contain Mr. Saddam's military threat, in the absence of an effective inspection program. Mr. Saddam's weapons programs had been set back by a year or more, they said.

As a result of the mission, Mrs. Albright said on NBC television, "Saddam Hussein is weaker, because all the

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With Bombing Finished, Hunt for a Policy Begins**Security Council Consensus on Iraq Is Broken**By Steven Erlanger
New York Times Service

WASHINGTON — While American officials went on television on Sunday to assert the military achievements of four nights of air attacks against Iraq, there is considerably less clarity about U.S. strategy now.

There is no question that President Saddam Hussein's military capacity has been "degraded," to use the Clinton administration's low-key, won't-of-choice, but it is not clear how degraded, or for how long.

But it is certain that Mr. Saddam retains the capacity and the scientists to produce biological and chemical weapons, which do not need to be delivered by sophisticated missile and cannot be eliminated by air strikes.

And what is abundantly clear is that Mr. Saddam has emerged from the rubble like a jack-in-the-box, alive and abounding defiance. His position strengthened in Arab public opinion simply by his survival against the high-tech onslaught of Britain and especially the United States, Israel's prime ally.

Newswatch Prices	
Bahrain	1,000 BD Muta
Cyprus	55 c
Denmark	17 DK Oran
Finland	12.00 FM Qatar
Gibraltar	£ 0.85 Rep. Ireland
Great Britain	£ 2.10 Saudi Arabia
Egypt	£ 5.50 S. Africa P15 Ind VAT
Jordan	1,250 JD U.A.E.
Kenya	£ 1.90 U.S. M.R. (Eur) £ 1.20
Kuwait	700 Frs Zimbabwe
	Zim \$40.00

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President Clinton speaking after the vote in the House.

White House Promises a 'Vigorous Defense'By Peter Baker and Juliet Eilperin
Washington Post Service

WASHINGTON — A day after the House of Representatives impeached the president of the United States, senators on Sunday began sketching the outlines for the conduct of his trial and the White House vowed to wage a "vigorous defense."

The Senate will open its trial after the new congress convenes on Jan. 6. While the Senate could then vote by a simple majority to adjourn the trial and seek another outcome, possibly a motion to censure the president, key senators said Sunday that that scenario appeared unlikely.

"I just don't think that's going to happen," said Senator Don Nickles, Republican of Oklahoma, the assistant majority leader.

On Saturday, the Republican-led House voted, by 228 to 206, largely along party lines, to approve the first article of impeachment, which accused the Democratic president of lying before a grand jury about his affair with a White House intern. Lawmakers went on to pass another article charging that he tampered with witnesses and helped hide evidence, but rejected two articles on perjury and abuse of power.

A solemn, all-Republican delegation led by the Judiciary Committee's chairman, Representative Henry Hyde of Illinois, then marched across the Capitol to deliver the articles of impeachment to the secretary of the Senate.

At the same time, scores of restive House Democrats piled into buses to drive up Pennsylvania Avenue and rally around their embattled leader at the White House. He is the second U.S. president to be impeached, after Andrew Johnson 130 years ago.

Emerging from the Oval Office with Hillary Rodham Clinton on his arm and Vice President Al Gore at his side, the president stood with his Democratic defenders and assailed the partisan vote against him. Brushing aside calls for resignation, Mr. Clinton vowed to serve "until the last hour of the last day of my term."

The votes in the House came just hours after the newly anointed speaker, Representative Bob Livingston, Republican of Louisiana, called on Mr. Clinton to resign and then, abruptly and unexpectedly, took his own advice.

"I must set the example that I hope President Clinton will follow," Mr. Livingston said, announcing he would step down because of the extramarital affair he had reluctantly revealed on the eve of the impeachment debate.

Rarely has the capital been so whipsawed by events, as the nation's top leadership was left in disarray at the same time that U.S. military forces mounted a fourth and final day of bombing against Iraq.

Perhaps the last time a single day combined twin moments of history like this was Jan. 20, 1981, when Ronald Reagan was sworn in as president just minutes before 52 American hostages in Iran were allowed to fly to freedom.

Unlike that dramatic day, few in Washington found much to celebrate on Saturday. What started out as an indiscrete dalliance with Monica Lewinsky, an 18-month series of casual sexual encounters and racy telephone calls, had unleashed the full force of a constitutional crisis.

Now, the impeachment and pending trial of a president who remains popular with the public may redefine the relationship between executive and legislative branches for decades to come. And shellshocked lawmakers found themselves struggling to make sense of a new politics of turmoil that, to

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What Happens Now? The Political Path Is UncertainBy R. W. Apple Jr.
New York Times Service

WASHINGTON — The only thing certain now is uncertainty.

The smart money shouts that President Bill Clinton will never resign, and he concurs. The smart money argues that the Senate could not muster the 67 votes that would be needed to remove the wounded president from office, which would require the defection of 12 Democrats if all the Republicans stand against him. The smart money insists that someone will cut a deal to end all this.

Maybe so. But the smarter money whispers, "Remember..."

Remember that everyone in Washington, including Representative Henry Hyde, Republican of Illinois, the chairman of the Judiciary Committee, said the House would never, ever, treat impeachment as a partisan issue.

Remember that all the pundits predicted Democratic losses in the midterm elections, and when the opposite happened, they said impeachment was dead. Twice wrong.

Remember that the all-predicted Democratic losses in the midterms elections, and when the opposite happened, they said impeachment was dead. Twice wrong.

And remember that in the New Year the nation may travel down a road it has never traveled before. One other president, Andrew Johnson, has been tried by the Senate, of course. But that happened more than a century ago in a different country — one with only 37 states, with primitive communications, with a simple economy based largely on agriculture, with only minimal commitments abroad.

In the toxic politics of century's end in Washington, the inconceivable has become the commonplace.

The wholly unexpected announcement Saturday morning by Representative Bob Livingston, Republican of Louisiana, that he would not serve as speaker and would resign from Congress, following his equally unexpected disclosure on Thursday night of several extramarital affairs, only deepened the capital's profound sense of insecurity.

The deadly sweep of the scythe of neo-puritanism appears unstoppable, at least for the moment, and Mr. Livingston's forthcoming resignation will increase the pressure on the president to do likewise.

"You've set before us an example," the leader of House Republican majority, Representative Dick Armey of Texas, told Mr. Livingston on Saturday. "The example is that principle comes before power."

The Democrats made the opposite point, arguing that the Livingston case showed how very wrong it was to savage people for personal pereccidios.

One transcendently important thing remains the same: Although surrounded by judicial trappings and presided over by the chief justice, trials of presidents are political processes, with power residing in the hands of elective politicians. In addition to narrow legal issues of guilt or innocence, they can weigh considerations of party, the nation's future, their own individual political well-being and almost anything else they care to weigh in reaching a verdict. The longer they took, the

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Sailors scrubbing the deck of the aircraft carrier Enterprise in the northern Gulf on Sunday, as flights were suspended after military operations against Iraq came to an end.

AGENDA**Japan Says Economy Is Shrinking 2.2% This Year**

Japan's government slashed its forecast Sunday for economic performance this year, predicting a contraction of 2.2 percent as the country battles its worst postwar recession.

The government had previously predicted a 1.8 percent contraction in gross domestic product in the year ending March 31.

However, the government predicted that the

economy would grow 0.5 percent in the next fiscal year, which ends in March 2000.

Finance Minister Kiichi Miyazawa conceded that returning to growth by 2000 would be difficult.

"It will not be a figure that can be attained easily," Mr. Miyazawa said of the 0.5 percent growth target. Page 13.

China Expels Labor Activist

A Chinese labor activist was released from prison and exiled to the United States on Sunday. Lin Nianchun, 50, was freed six months before the end of his sentence, which was being carried out in a labor camp in northeastern China. His wife, Chu Hailan, who had campaigned for his release, accompanied Mr. Lin to America along with their 11-year-old daughter. Page 5.

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Speaker-Elect Bows Out

• Bob Livingston, who would have been the next House speaker, announced that he would resign from Congress. Page 7. • The White House strategy will be to argue that the Republicans are shutting down the government. Page 7. • When a pornographer can bring down the incoming House speaker, something has changed in the media and political culture. Page 7. • Mr. Clinton's job approval rating climbs over the 70 percent mark, according to a poll. Page 6. • Who were the lawmakers who broke party ranks in the impeachment vote? Page 6. • Many Americans were disgusted; others were satisfied. Page 7. • Text of Articles of Impeachment. Page 6.

White House Hopes That Senators Will Warm to CensureBy Helen Dewar and Ceci Connolly
Washington Post Service

WASHINGTON — With the impeachment battle lost in the House, President Bill Clinton is voicing hope that the Senate will embrace censure, but the prospect of reaching the kind of compromise preferred by the White House faces a variety of political and logistical hurdles.

White House aides said over the weekend that they hoped some kind of censure compromise might be worked out over the next several weeks, though they cautioned that there were limits to what they would accept. And if negotiations are unsuccessful, one adviser said, Mr. Clinton intends to wage a vigorous defense that could take months.

"He's going to get his due," the Clinton adviser said. "If this goes to trial, we're going to have a full trial, and we'll show what this whole thing has been about from day one."

At least a half-dozen Republican senators say they are open to some kind of censure, underscoring how the idea seems to have more traction in the Senate than it did in the House. Senators are amenable to the idea because of the difficulty of getting the two-thirds majority needed to remove the president under the Constitution; Republicans hold a 55-to-45 advantage in the Senate, and few Democrats appear likely to push to convict Mr. Clinton.

Senators of both parties also wish to avoid a contentious trial that could sour public opinion and cripple any hopes of approving major legislation. Some Republicans are worried that dragging out the process could damage the party politically.

"The Senate is the appropriate place to consider censure," said Senator William Frist, Republican of Tennessee, echoing the views of many members of both parties. "Our role will be to either convict or not convict, but while that process is going on, consideration of alternative punishments should be discussed."

The chairman of the Senate Judiciary Committee, Orrin Hatch of Utah, is also receptive to some other sanction if there is no chance of a two-thirds majority for conviction.

"We should take a hard count right at the beginning," Mr. Hatch said, adding that if there were 34 or more senators who would not vote to convict Mr. Clinton, then "why put the country through this?"

But the situation is complicated because some senators believe that the U.S. Constitution requires a full-blown trial, and the Senate majority leader, Trent Lott, Republican of Mississippi, last week ruled out any "deal-making" early in the proceedings.

"Senators will be prepared to fulfill their constitutional obligations," Mr. Lott said Saturday after the House approved two articles of impeachment against Mr. Clinton.

Mr. Lott said pretrial proceedings would not begin until after the Senate reconvened on Jan. 6. He said it was not possible yet to say when a trial would start.

"The timing will depend greatly on the president and his lawyers," Mr. Lott said, apparently reflecting concern among

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Attack on Iraq / Assessing the Damage

In a televised briefing Sunday, Mr. Blair outlined a strategy to keep Saddam Hussein "in his cage."

Blair Urges Critics to Accept 'Reality' of Using Armed Force

By Warren Hoge
New York Times Service

LONDON — In a tough-talking assessment of the air attacks on Iraq, Prime Minister Tony Blair urged doubters and critics on Sunday to understand the new "global reality" that modern diplomacy must be backed up by force.

"I recognize that not everyone around the world has welcomed this action," he said in an apparent reference to the angry reactions of China and Russia and the unsettled response from European allies such as France and Italy. "But I believe at heart that most know its necessity."

Saying he was determined to build a broad consensus on dealing with Iraq, Mr. Blair added that even countries that had withheld approval and support for the campaign "fully accept that Saddam

has to be watched, has to be contained and that the whole of the world community has to be engaged in that process."

Mr. Blair, leader of the only country to join the United States in the four days of air strikes, used a televised address on Sunday not just to list the mission's accomplishments but to put forth an earnest justification of the raids and the need to be prepared for additional action in the future.

Britain, he announced, is sending the aircraft carrier Invincible to the Gulf to reinforce its Tornado jets based in Kuwait. The ship will arrive in late January at the end of the Muslim holy month of Ramadan. "The sending of the aircraft carrier is a very big signal that we are not going away," said Defense Minister George Robertson, who appeared at the briefing with Mr. Blair, Foreign Secretary Robin Cook and Gen-

eral Sir Charles Guthrie, chief of the defense staff.

Mr. Blair said he saw no need for any new United Nations authorization to strike Iraq in the future, and he turned aside talk of easing sanctions, saying that the program should instead be "as rigorous as we can make it." He pledged to intercept more traffic in the Gulf, arguing that it was being used by Saddam Hussein to circumvent sanctions.

Mr. Blair said the objective now was to contain Mr. Saddam, and he used a metaphor that he has employed all week, saying the Iraqi leader must be kept "in his cage." He rejected the argument that this policy was a poor substitute for eliminating Mr. Saddam entirely. "I do not accept it for an instant," he said.

Of the achievements of the past days, the two that Mr. Blair and the officials

cited most frequently were the destruction of hangars housing pilotless drone planes designed to spray deadly anthrax and the bombings of barracks and a brigade headquarters of the elite Republican Guard troops who protect Mr. Saddam. Sir Charles showed film of both strikes.

"We need a future strategy," Mr. Blair said, noting that it was unlikely United Nations weapons inspectors would be permitted back into the country. Unless Iraq showed a "completely different order of readiness" to cooperate, he said, the focus would now be on the proven threat of force and heightened aerial surveillance to compensate for the absence of the UN monitors. "We will know what is happening, and whether Saddam is yet again getting into a position to threaten others," Mr. Blair said. "If he is, he knows what to expect."

He said that Britain would "continue to engage with the Iraqi opposition to help them develop their vision of a better Iraq." Many Iraqi opposition groups are based in London.

As he has all week, Mr. Blair lashed out at the theory that the timing of the strikes had been predicated on President Bill Clinton's desire to forestall impeachment. Calling such suggestions "grotesque and offensive," he said, "I would never commit British servicemen and women unless I thought it was necessary."

At home and in Europe, Mr. Blair has had to defend himself against charges that he is too obedient to Washington, and he and Mr. Cook have been in frequent contact with Continental leaders explaining Britain's position.

Most of the domestic criticism has come from members of his own party. The Labour-friendly Independent on Sunday said it was "dispiriting" that Tony Blair should prove such an uncritical and servile supporter of the president" while the conservative Sunday Telegraph found the Desert Fox operation "logical and entirely justified."

Washington has welcomed the well-spoken prime minister's eagerness to articulate the mission's bases and objectives, allowing him to speak to the world first on Wednesday in a television announcement of "Desert Fox" from in front of No. 10 Downing Street before the President Clinton his address from the Oval Office.

Mr. Blair said Britain planned an "intensive diplomatic process" with other UN Security Council members, Arab nations and other European countries "to forge a new strategy for stability in relations between the international community and Iraq." On Monday, Mr. Cook is to meet in London with Joschka Fischer, the German foreign minister, to discuss how Europe can get aid to the needy in Iraq.

On Saturday, Mr. Cook opened a new front in the war for securing public backing for the campaign with a revised briefing devoted to outlining the dimensions of the "extraordinary evil" that Mr. Hussein represents. He cited Amnesty International reports detailing what he called a systematic program of torture, executions and mass murder that the Iraqi dictator uses to enforce his power over his own people.

"He runs a terror state," Mr. Cook said. "As and when Saddam goes and when evidence of that terror state becomes more widely known and publicized by those who replace him, the world will ask why was it that we were in any doubt about the nature of the regime and why there was any hesitation about standing up to him."

Pentagon Evaluates Impact of Bombing Raids

By Bradley Graham
Washington Post Service

WASHINGTON — After attacking nearly 100 targets with at least 415 cruise missiles and hundreds of bombs, U.S. forces left tons of rubble last week where Iraq's Republican Guard soldiers once slept, where other security and intelligence units once worked and where President Saddam Hussein once pursued schemes to expand his missile arsenal.

But even as President Bill Clinton was declaring the strikes a success and ending the operation, the Pentagon was acknowledging that it had only a sketchy view of the impact that four nights of bombing had on the functioning of Mr. Saddam's military and security networks.

In preliminary estimates, Pentagon analysts reported only 28 of the 97 targets hit in the first three nights were destroyed or severely damaged. Another 46 were characterized as lightly or moderately damaged and the remaining 23 had yet to be assessed.

Seeking to reconcile the victory claims with the damage assessments, Defense Secretary William Cohen and General Henry Shelton, chairman of the Joint Chiefs of Staff, held what amounted to a seminar on how the Pentagon estimates destruction, insisting that even damage rated "light" or "moderate" in official reports can mean that the target was put out of business.

General Shelton said at the news conference, "It does appear that we've got to do a better job of translating the arcane science of battle damage assessment into plain English so that you can all relay the information more effectively to the public. So the burden is on us."

The Pentagon leaders asserted that the bombing has set back Iraq's plans to develop longer-range missiles by at least a year. But they offered little else to measure the extent to which the air strikes

diminished Iraq's weapons-making capabilities and the threat that Baghdad poses to the region — the goals they had set for Operation Desert Fox.

Mr. Cohen and General Shelton, appearing jointly, said a detailed understanding of how much the military operation stymied Iraq's plans to make nuclear, biological and chemical weapons would take weeks, if not months.

At the same time they acknowledged that Iraq is likely to begin quickly to rebuild the damaged facilities.

"From the beginning of this operation, we've been careful to set realistic goals," Mr. Cohen said. "We've also been careful not to either overstate or exaggerate the results as intelligence analysts study the very preliminary data."

General Shelton declared himself "very pleased with the results of the operation thus far," but conceded that the way in which the Pentagon reports its bombing results can give a less positive picture.

The damage assessment released Saturday showed somewhat greater destruction than a report Friday after the second night. Officials attributed this to a closer analysis of the targets and to the fact that some targets struck earlier in the week were hit again during the third night.

To demonstrate how the Pentagon's preliminary damage assessments often fail to convey the full impact of an attack, Mr. Cohen cited the terrorist bombing of the Oklahoma City federal building. He said that while the attack rendered the building functionally useless, U.S. government analysts looking at aerial photos initially rated the destruction as moderate.

"Some have characterized moderate damage as somehow being less than successful," Mr. Cohen said. "But when we make these preliminary assessments, what looks either to be light or moderate cannot be calibrated in terms of a normal understanding."

General Shelton made the same point, citing the examples of the truck bombings earlier this year at the U.S. Embassies in Kenya and Tanzania. He said U.S. analysts had categorized the damage there as light to moderate.

Producing an aerial picture of the Taji missile repair complex, General Shelton pointed to several buildings hit by U.S. forces last week, causing varying degrees of damage from moderate to severe.

"My point is, none of these buildings within this compound were assessed as destroyed; not even one," he said. "Our analysts are appropriately very conservative in their initial assessments."

He added, "But in my view, this facility will not be usable for Saddam's efforts to maintain or improve his missile capabilities in the years ahead."

"I'd also like to point out, as you can see, many of the buildings in this facility appear to be un-damaged," General Shelton said. "And the reason for that is because they were not targeted. We only went after specific buildings within the compound — again, ones that were related to our mission objectives."

The attacks on missile production and research facilities, where U.S. officials said Iraq was working on long-range systems that could deliver weapons of mass destruction, were particularly important to the U.S. war plan.

And they were all the more important since administration officials, to avoid civilian casualties, ruled out air strikes against other commercial and industrial facilities with potential to manufacture chemical and biological weapons that these missiles could carry.

In addition to crippling the missile effort, Mr. Cohen and General Shelton said the air strikes caused significant damage to Mr. Saddam's security service and his communications, intelligence-gathering and propaganda networks.

Karin Schake/Associated Press
Iraqis clearing up after a missile attack left a crater near a ministry building in Baghdad.

TRAVEL UPDATE**Hungary Rail Workers to Strike**

BUDAPEST (Reuters) — Railroad unions in Hungary are to hold two-hour warning strikes Monday and Tuesday in support of their wage demands, a union official said.

Railroad workers are demanding a 21 percent wage rise while the last offer was 13.5 percent. A union official said that the two unions would hold a 78-hour general strike from midnight Jan. 4 if talks were unsuccessful.

They said Air-India, United Airlines, Air Canada and KLM Royal Dutch Airlines were among the worst affected airlines.

This Week's Holidays

Banking and government offices may be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Israel, Pakistan, Sao Tome.

TUESDAY: Israel.

WEDNESDAY: Japan.

THURSDAY: Austria, Britain, Bulgaria, Czech Republic, Denmark, European Union, Finland, France, Germany, Hungary, Iceland, Italy, Luxembourg, Macau, New Zealand, Norway, Poland, Portugal, Singapore, Slovakia, Spain, Sweden, Switzerland, Vatican City.

FRIDAY: All countries except: Afghanistan, Algeria, Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, China, Ethiopia, Georgia, Iran, Iraq, Japan, Kazakhstan, Kuwait, Kyrgyzstan, Libya, Macedonia, Mauritania, Moldova, Mongolia, Morocco, Nepal, Qatar, Russia, Saudi, Taiwan, Tajikistan, Thailand, Tunisia, Turkey, Turkmenistan, Ukraine, United Arab Emirates, Vietnam, Yemen, Yugoslavia.

SATURDAY: All countries except: Oman, Saudi Arabia.

Sources: J.P. Morgan, Bloomberg, Reuters.

Outfoxed: The Generals Forgot About Rommel

By James Barron
New York Times Service

WASHINGTON — They were going to call it Desert Viper, but the second word had to begin with F. Desert Fox? Generals do not like to sound foolish.

Well, what about Desert Ferret or Desert Flamingo? O.K., maybe those handles lack that certain something.

But Desert Fox? That was the nickname of Erwin Rommel, the fabled North African field marshal of Hitler's army.

The Pentagon wanted to name the campaign against Iraq-Something-or-Other to be consistent with names for other operations in the Gulf, like Desert Storm in 1991.

Desert Viper may have a ferocious ring, but under Pentagon protocol, the military command planning the operation — in this case, the one based at MacDill Air Force Base near Tampa, Florida — was supposed to choose a name starting with D or R.

Enter a computer data base. It decided that the second word should begin with an F. "Viper" is not in the dictionary, of course, and "Desert Viper" doesn't have the right ring. So high-level types at MacDill settled on fox. Eventually, Defense Secretary William Cohen approved the name Desert Fox.

Did anybody think of Rommel, who was portrayed by James Mason in not one but two Hollywood films?

"Nobody," said Lieutenant Colonel David Thurston, a spokesman for the Joint Chiefs of Staff. "That was not in the mix. I know that it's been speculated on by various members of the media and others, but that did not enter into it."

Marc Schneier, president of the New York Board of Rabbis, accepted that explanation.

"I am sure the powers that be did not associate the name with the Nazi general," he said. "And as it happens, the choice could be something positive, because in the aftermath of this campaign, the term Desert Fox will no longer be associated with a Nazi officer, but instead will be associated with a determined effort to stop a mad dictator from acquiring weapons of mass destruction."

WEATHER**Europe**

High: °C Low: °C

Paris 10°/5° CDF

Amsterdam 10°/1° C

Athens 10°/1° C

Brussels 10°/1° C

London 10°/1° C

Madrid 10°/1° C

Milan 10°/1° C

Nice 10°/1° C

Paris 10°/1° C

Rome 10°/1° C

Stockholm 10°/1° C

Turin 10°/1° C

Vienna 10°/1° C

Zurich 10°/1° C

Middle East

Abu Dhabi 10°/5° C

Bahrain 10°/5° C

Cairo 10°/5° C

Damascus 10°/5° C

Jerusalem 10°/5° C

Kuwait 10°/5° C

Lebanon 10°/5° C

Morocco 10°/5° C

Tunisia 10°/5° C

Yemen 10°/5° C

Tehran 10°/5° C

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Asia

High: °C Low: °C

Beijing 10°/5° C

Bell 10°/5° C

Bangkok 10°/5° C

Bonny 10°/5° C

Bombay 10°/5° C

Calcutta 10°/5° C

Chengdu 10°/5° C

Colombo 10°/5° C

Delhi 10°/5° C

Guangzhou 10°/5° C

Hainan 10°/5° C

Hong Kong 10°/5° C

Karachi 10°/5° C

Kuala Lumpur 10°/5° C

Khartoum 10°/5° C

Attack on Iraq / The View From Baghdad

Security Council Plans to Sift Rubble of UN Initiatives to Find a Policy

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — After four days of air strikes in Iraq, the Security Council plans to begin sifting Monday through the rubble of three major United Nations initiatives: economic sanctions, arms inspections and a relief program that was just beginning to show progress in aiding Iraqis suffering from an eight-year embargo.

"We need a future strategy," Prime Minister Tony Blair said Sunday in London. In the short term, it appears to diplomats here that the first step will be a full review of UN relations with Iraq, which Baghdad has long sought and which may now be the only route to finding a consensus on how to monitor President Saddam Hussein now that he "is said, again, that he will no longer work with arms inspectors under the existing system."

With President Bill Clinton under impeachment and American attention diverted from the coming crucial days and

weeks of debate, Mr. Blair and President Jacques Chirac of France are expected to take the lead in the Security Council.

In Paris on Sunday, Mr. Chirac staked out a position Russia is expected to share when he called for a prompt lifting of the oil embargo. But moving closer to the British and Americans, he also said in a statement that while it was time for a comprehensive review of relations with Iraq, it must proceed from the understanding that arms controls will continue, along with some supervision of Iraqi expenditures from the sale of oil.

The international community must be able to carry out effective monitoring of Iraqi arms and any development of them," Mr. Chirac said. "This means fresh organization, fresh methods."

Those comments were close to the assessment of the coming debate made Friday by Peter Burleigh, the American representative on the Security Council.

Russia, which led the verbal attack on American and British air strikes last week, was still critical Sunday, with President Boris Yeltsin calling the air

strikes "illegal and senseless." But Russian anger at the United Nations had subsided considerably by Friday, and on Sunday in New Delhi, where he is on an official visit, Prime Minister Yevgeni Primakov was also looking ahead, saying that his concern was that a political solution be found so that air strikes would not be repeated in the future.

Both Mr. Clinton and Mr. Blair have left that possibility open and neither Iraq nor any of its supporters can doubt after last week that there can be a will to follow through on the threat.

Furthermore, Iraq has clearly been stung by the tepid opposition to attacks from Iran and other Arab governments. Top Iraqi officials, who continue to plot for more solidarity in the neighborhood, last week demanded and then suddenly canceled, an emergency meeting of the Arab League, a significant number of whose members said that Mr. Saddam alone was responsible for bringing more tragedy down on his people.

The difficulty the Security Council faces is that more than eight years of painstakingly negotiated resolutions have linked sanctions, inspections and, most recently, the "oil for food" relief plan in a cat's cradle of crossovers that will be hard to separate. Changing course at the United Nations, especially when it involves agreement among the five permanent Security Council members — Britain, China, France, Russia and the United States — is always more cumbersome and time consuming than changing any one nation's policy.

Sanctions, or more precisely the embargo on Iraqi oil sales, is directly linked to certification by the United Nations Special Commission, charged since 1991 with disarming Iraq, that there are no more prohibited arms or the means to make them.

These include biological and chemical weapons and certain missile systems assumed to be designed to deliver them. Iraq's nuclear program has been monitored by the International Atomic Energy Agency, a UN body unlike the Special Commission, which was created by the Security Council and is formed of

disarmament experts from dozens of countries on loan to the organization.

No member of the Security Council is willing to say categorically that Iraq has answered all outstanding questions or accounted for all suspect material in any area, but Russia and France, with growing support from rotating council members like Brazil and Kenya, have argued that all the missing pieces may never be found and that it is time to close the books on active, kick-down-the-doors inspections and switch to long-term monitoring. This would trigger the lifting of the oil embargo.

The International Atomic Energy Agency has already laid the groundwork for closing the nuclear file, which has made it very popular with the Iraqis, who now demand that if inspections of any kind are to resume, the Special Commission, known as Unscom, be restructured to be more like the International Atomic Energy Agency, composed largely of career international bureaucrats.

Diplomats think that Iraq can be persuaded to agree to some kind of future

monitoring, but Iraqi leaders said again last week that sanctions have to go first.

The argument that files can begin to be closed, which will now be made again, could have picked up even more backers before last August, when Iraq began to demonstrate that it has no intention of allowing long-term monitoring to be backed by inspections of any and all new, suspect sites as the need arises.

Nevertheless, the Clinton administration assumes that sanctions cannot be sustained forever.

The situation of Richard Butler, the executive chairman of the United Nations Special Commission, is particularly complicated. Iraq has made it clear for more than a year that it does not want to work with him. Last week Russia formally called for his dismissal. Even among Mr. Butler's supporters — or at least his non-detractors — there are those who ask whether inspections can ever resume in a hostile Iraq with him in charge and that pragmatism may dictate that he be replaced.

Paradoxically, this would penalize Mr. Butler for his strengths as a franker-than-average former Australian diplomat who says that he takes his mandate seriously and will not compromise in order to keep the Iraqis happy.

Moreover, he is dealing with what one senior United Nations official called a "criminal regime" that understands only force, making Mr. Butler's tough approach a problem for Mr. Saddam, who would rather deal with more equivocating diplomats or international civil servants trained not to rock boats.

In an interview Saturday, Mr. Butler said that handing the Iraqis a diplomatic victory by allowing their weapons programs to emerge from a bombing campaign free of international supervision "just doesn't make sense." Publicly, the United States supports Mr. Butler completely.

But Scott Ritter, the former concealment expert who quit the Special Commission in August in disgust at American policy, said that the Clinton administration has, in fact, weakened Mr. Butler time and again, most recently last week, when White House officials put pressure on UN officials to release his latest report on Iraqi noncompliance just before bombing raids began Wednesday, so that it could be used as the trigger for military action.

Although Mr. Butler, who now travels around New York with a bodyguard, did not complete his report until Tuesday, and did not turn it over to White House officials until shortly before its release to the UN secretary-general and the Security Council that day, the timing has strengthened Iraqi and Russian assumptions that the whole series of events was prepackaged.

Saddam Hails Iraqi Victory Over 'Enemies of Humanity'

By Howard Schneider
Washington Post Service

BAGHDAD. — With the announced end of the bombardment that was the core of Operation Desert Fox, President Saddam Hussein appeared on Qatari-based Al-Jazeera television to declare victory — a standard procedure at the end of each of Iraq's crises, regardless of the outcome.

"You were up to the level that your leadership and your brother and comrade Saddam Hussein had hoped you would be," Mr. Saddam said in a taped address. "So God rewarded you and delighted your hearts with the crown of victory."

"God wanted this to be an honor and glory for you," he said. Mr. Hussein cast "shame and humiliation" on those who carried out the attacks, calling them "the enemies of God and humanity."

But in diplomatic circles and on the streets of Iraq, there was acknowledgement that what has been left behind is a complicated nest of issues not easily or quickly deciphered — over whether weapons inspections will resume, over whether the United States, having hit the Iraqi military infrastructure hard, will now drop its threats of economic sanctions, over whether the regime of President Saddam has been made in any way weaker or more compliant by the destruction of U.S. forces.

"None of that is clear yet, and won't be until damage from the bombing is assessed, the Iraqi leadership takes stock of its remaining assets, and discussions begin again between the security council and Mr. Saddam's government."

The UN special envoy, Prakash Shah, said he expected to meet with Deputy Prime Minister Tariq Aziz on Sunday, hoping to open a discussion that will move the dispute over sanctions and Iraq's weapon programs back onto a diplomatic footing.

"Now is the time to focus on the 'coming after,'" Mr. Shah said, "and it is some complicating factors," that range from how much damage was done to Iraq's military, weapons and other facilities, and how the bombing changes the strategies of both the United States and Iraqi government.

Why the bombing happened is as much a topic of speculation here as its outcome on the future of sanctions and disarmament efforts.

Among the few objective observers here with freedom of movement and some access to government officials and other sources, members of the diplomatic community were divided in their assessment. Some blame the Iraqis, and feel the crisis could clearly have been averted if they had opened a few more doors to UN inspectors.

There were no other official statements or details provided about civilian or military casualties from the four-day bombardment, and it will likely take days or weeks for officials here to comprehend fully the damage done to factories, buildings and military facilities hit by U.S. and British weaponry.

On the streets of Baghdad, people acknowledged the complexity of recent events, and questioned whether anything had been accomplished on either side.

"It's a game, a play," said Hosseyn Alwan, 28. "Nothing has been changed."

Like most residents here, Mr. Alwan spent nights at home during the air raid, taking care to stay indoors but not feeling threatened enough to seek haven in a bomb shelter.

Along the markets near Al Nahar street, Zuhra Neini Zora said it was clear after the first night of attacks that the strikes were focused on military targets, and were coming with an accuracy that left him feeling safe, as long as he stayed away from open areas and the possibility of being hit by falling debris.

Unlike the Gulf War, which targeted Baghdad's power supply, bridges and other infrastructure, Operation Desert Fox swept through this capital with little disruption to daily life. There was no attempt by residents to evacuate the city or scramble to bomb shelters, no shortages of food or fuel or curtailment of 24-hour hours.

The only thing most residents lost was "our time," by being forced indoors at night, Mr. Zora said.

Iraqi officials have said there were at least several dozen civilian casualties, many from people who were apparently near targeted buildings when missiles fell, or who were hit by falling shrapnel.



A shopper examining fruit at a market in the center of Baghdad on Sunday. In a broadcast, President Saddam thanked Iraqis for their efforts.

IRAQ: U.S. and Britain Issue Warning

Continued from Page 1

targets and things that he cares about most have been destroyed — many of them."

In four nights, she said, nearly 100 targets were hit. U.S. and British forces flew 650 sorties. U.S. naval ships and warplanes launched 400 cruise missiles, more than in the entire Gulf War. Eight presidential palaces, suspected of harboring banned weapons equipment were hit. The destruction, Mrs. Albright said, was "heavy and devastating."

General Shelton said that nine missile research and development centers had been hit, knocking them out for "at least over a year"; 20 of 21 command and control facilities had suffered moderate to severe damage; and what he called "very good damage" had been inflicted on 18 of 19 targets linked to the elite Republican Guard and to special units whose mission is to conceal banned weapons.

General Shelton produced aerial photos to document the damage. No reliable independent damage assessments were available.

In announcing a halt to the strikes Saturday, Mr. Clinton said he was satisfied that "significant damage" had been inflicted on facilities supporting the clandestine production of weapons of mass destruction.

U.S. and British officials said that the timing of the attacks in light of the impeachment process against Mr. Clinton was coincidental. Mr. Saddam had

First Time in Action For the Troubled B-1

New York Times Service

WASHINGTON. — After three decades of controversy, \$30 billion and a series of mishaps, one of the most costly and most troubled U.S. combat aircraft, the B-1 bomber, flew into combat for the first time last week.

Two of the four B-1 bombers based in Oman since November joined in the attacks against Iraq, striking a military complex near Baghdad with a torrent of 500-pound (225-kilogram) bombs before returning safely to their base.

President Richard Nixon approved the development of the B-1 in 1970. By 1977, with the program beset with design flaws and cost overruns, President Jimmy Carter killed the bomber. President Ronald Reagan gave it new life in 1981. The air force rolled out the first of 100 B-1s in 1986. In a little more than a year, three crashed. The planes sat out the Gulf War with engine problems.

The bomber, with swept-back wings for supersonic flight at low or high altitudes, was designed to penetrate Soviet airspace to deliver nuclear weapons. President George Bush ordered it refitted to carry conventional weapons.

Vice Admiral Scott Fry, director of operations for the Joint Chiefs of Staff, said Saturday that the Pentagon had not yet been able to assess the damage done by the bombers' strikes.

been warned a month earlier, they said, of the cost of failing to comply with the weapons inspections, and a sharply critical report to the United Nations on Tuesday had documented that failure.

Mr. Cohen, the U.S. defense secretary, indicated that the United States expected a prolonged standoff with Mr. Saddam. He said that he expected Iraq to begin repairing and rebuilding its damaged military and intelligence structures, including those linked to the development of banned nuclear, chemical and biological weapons. If Iraq does so, Mr. Cohen said on CBS, "We're prepared to take it down again."

Sandy Berger, the president's national security adviser, said that U.S. and British overflights, monitoring and policing of no-fly zones would help keep pressure on Mr. Saddam.

"If he tries to rebuild his weapons of mass destruction," he said, "if he threatens his neighbors, if he goes after the Kurds in the north or our airplanes, we have to be prepared to use force again."

He and other administration spokesmen said that by offering full cooperation, Mr. Saddam could end the comprehensive UN sanctions in force against his country since the Gulf War of 1991. They all made it clear, however, that they did not expect him to do so.

"The sanctions will remain in place," Mr. Cohen said. "We remain in place."

Nizar Hamdoon, the Iraqi ambassador to the United Nations, said that Baghdad would now demand an immediate lifting of the sanctions. He said he could not imagine any future cooperation between Iraq and Richard Butler, head of the UN inspection regime.

Under the present embargo, Iraq can export about 1.8 million barrels of oil a day under a monitored humanitarian exchange for food and medicine.

Iraq, which at times has denounced the UN inspectors as spies, has accused the United States of colluding with Mr. Butler to create a pretext for a U.S. attack to divert attention from Mr. Clinton's impeachment. "I don't think there is any doubt about that," Mr. Hamdoon said.

U.S. officials and Mr. Butler himself flatly denied the charge that he had written his critical report of Iraq in concert with the United States.

"I did not," Mr. Butler said on CNN. "That is simply not true."

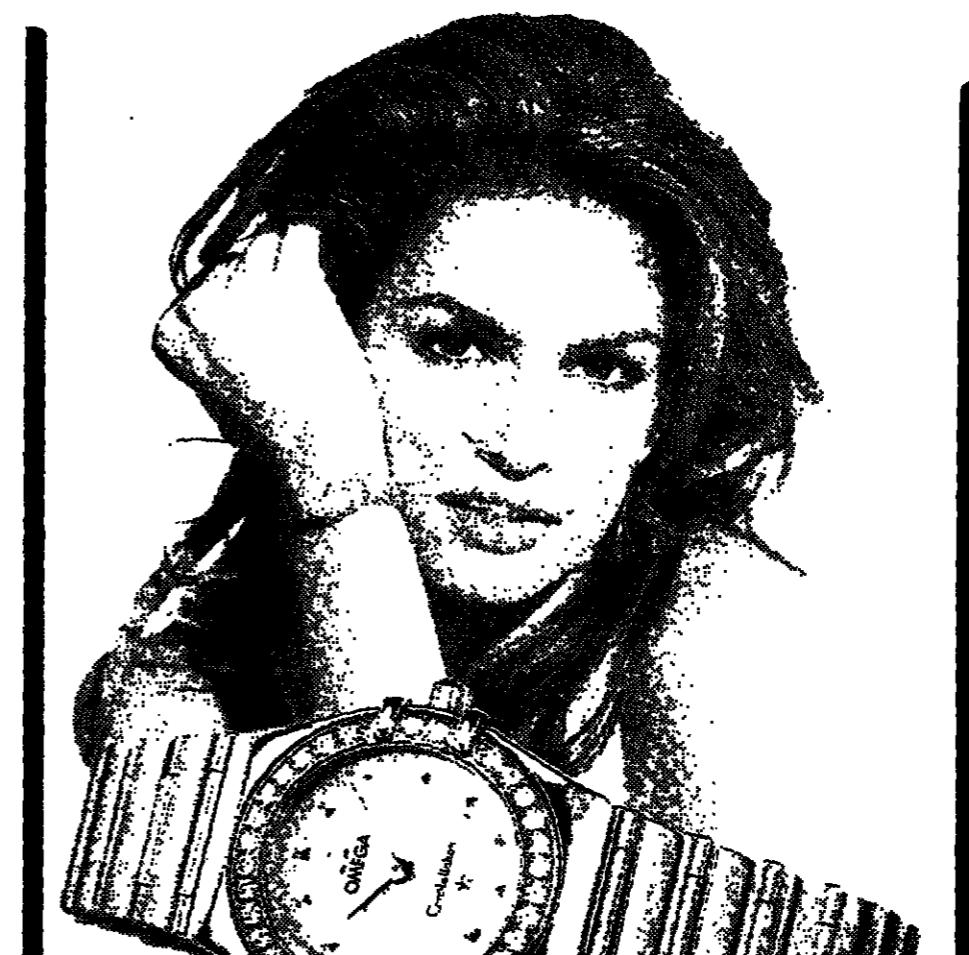
Mr. Butler said he did not know what the future held for Unscom. The UN Security Council was to discuss the matter this week.

Mr. Clinton said he would welcome a return to UN inspections, but only if Mr. Saddam took "concrete, affirmative and demonstrable actions" to show that he would permit unfettered access to all suspected weapons sites.

U.S. officials indicated they were unsure how events might play out in Iraq. Mrs. Albright said there was "no silver bullet for dealing with" Mr. Saddam.

Mr. Berger said that in the long term, "the only solution here is going to be a different government in Baghdad." He said the United States would work toward that end with Iraqi opposition groups in "prudent, effective ways."

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EUROPE

As Crosses Sprout at Auschwitz, Polish-Jewish Relations Worsen

By Roger Cohen

New York Times Service

AUSCHWITZ, Poland — Crosses large and small are mushrooming outside the Auschwitz death camp, filling a field just beneath its barbed-wire-topped wall and driving a new wedge between Poles and Jews.

In light wood, in dark wood, some straight, some listing, the 240 crosses have been placed by Roman Catholic zealots over the last five months. They now form a spreading Christian sea overlooked by a watchtower of the

camp that formed the industrial nexus of the Nazi attempt to annihilate European Jewry.

The crosses have a self-styled guard, Kazimierz Switon. A former member of Poland's Solidarity Union, he arrived here June 14. In a now squalid tent, he took up residence, declared he had come to defend Polish soil against the Jews, planted a cross and, with conspicuous success, invited sympathizers to follow suit.

"We do not tell the Jews what to do in their country, and they have no right to tell us what to do on our Polish soil,"

said Mr. Switon, 67. "I will not leave until I have a written assurance from the church that these crosses, which pay tribute to the Polish victims of Auschwitz, will stand forever."

The adjacent camps of Auschwitz and Birkenau have been at the center of repeated conflict in recent years as divergent Polish and Jewish views of World War II have clashed, envenomed by each people's sense of enormous loss.

But the forthright anti-Jewish oratory of Mr. Switon and his vociferous followers appears to mark an escalation in

an atmosphere clouded by new Polish fears of Jewish claims for restitution of property lost during the war.

At the same time, the inability of the center-right Polish government of Prime Minister Jerzy Burek to remove the crosses, or even to stop their proliferation, has illustrated the enduring sensitivity of religious and nationalist issues in a deeply Catholic country still grappling with the divisive legacy of more than 40 years of Communist rule.

"Switon represents a lunatic fringe, but perhaps not such a narrow one," said Jerzy Ledlicki, a historian. "The

Communists removed crosses from public places, so to remove a cross today is to be an enemy of the nation. The government therefore finds itself in a tight spot."

Mr. Burek has promised several times to remove the crosses, most recently in a letter to Miles Lerman, chairman of the U.S. Holocaust Memorial Council. The letter, dated Nov. 30 and made available to The New York Times, says that "all new crosses" will be removed and that "the government of Poland is determined to do it as soon as possible."

But so far, as legal battles boil, no attempt has been made to take the crosses down or to evict Mr. Switon. Even the Polish episcopate's formal condemnation of the new crosses in August has failed to break the deadlock.

"The crosses are deeply offensive," said Kalman Sultanik, vice president of the World Jewish Congress. "For many Jews, they symbolize persecution, and 90 percent of those murdered in Auschwitz-Birkenau by the Germans were Jews. Why can the crosses not be removed by police, and then let Switon fight the decision in court if he wants?"

There have been repeated provocative issues in recent years. An 8-meter-high (26-foot) so-called "papal cross" erected in 1989 and still standing at the center of the new crosses, a Catholic convent that abutted the camp until its Carmelite nuns left in 1993, and the presence until their removal last year of crosses and Stars of David near the Birkenau gas chambers have all caused bitter exchanges between Polish authorities and Jewish groups.

At the root of the friction lie starkly divergent senses of history. Many people in Poland have the sense that the 3 million non-Jewish Poles who died during the Nazi occupation, of whom close to 100,000 were killed at Auschwitz, are somehow invisible to the Jews because of the scale of the Holocaust.

Jews, by contrast, see an unspeakable affront in the placing of Christian symbols at the place that stood at the heart of the Nazi extermination program. They are troubled by enduring expressions of anti-Semitism in Poland and point to the fact that more than 1 million of the victims of the Auschwitz-Birkenau complex were Jews.

"We can't stop competing over suffering," said Wanda Rapaczynski, a Warsaw newspaper publisher who is Jewish. "And now, with these American lawyers coming Europe chasing restitution money for the Jews, and the fear that Jews may come back to Poland to claim property, I feel a new tension in the air. The property issue is explosive."

Mr. Switon has found critical local support from a wealthy real-estate dealer and former Communist security services agent, Zbigniew Janosz, who has veered from communism to nationalism since 1989. Mr. Janosz heads an association of Polish war victims and leased the land on which the crosses now stand from the departing Carmelite nuns in 1993. His lease runs until 2033.

The Polish government has now drafted a law to be submitted to Parliament in the next few weeks that would put all former concentration and death camps and the land around them in the control of the state.

The law would override all previous property claims; land would be bought out at market prices.

BRIEFLY

Thousands Mourn 36 Kosovo Rebels

POLJANCE, Yugoslavia — Several thousand ethnic Albanian mourners and about 1,000 separatist guerrillas turned out Sunday for the funeral here of 36 fighters killed by Serbian guards on the Albanian border.

Serbian authorities said the 36 men, members of the Kosovo Liberation Army, were shot last Monday as they tried to smuggle arms into the Yugoslav province from neighboring Albania.

The killing was the most serious incident since the U.S.-brokered cease-fire in October, which aimed to end the eight-month conflict between Serbian forces and ethnic Albanian separatists. (AP)

2d Round of Voting In St. Petersburg

ST. PETERSBURG — Voting began Sunday in a second round of local elections in St. Petersburg, where liberals aimed to consolidate gains made after a bitter campaign marked by the murder of a prominent Russian democrat.

There were no reports of trouble as people voted in the former czarist capital a month to the day after Galina Starovoitova was gunned down in a contract killing. She was a member of Parliament and leading supporter of President Boris Yeltsin.

Eighty-eight candidates were involved in the runoff Sunday for the remaining 44 districts. (Reuters)

Ruling Party Falls Out of Danes' Favor

COPENHAGEN — An opinion poll published Sunday confirmed a slump to record lows for Denmark's Social Democrats, the biggest group in Parliament and government.

The survey, published in the newspaper Politiken, put voter support for the Social Democratic Party at 19.4 percent. This compared with 35.9 percent in the general election in March that returned Prime Minister Poul Nyrup Rasmussen's center-left coalition to office.

Analysts attribute the decline to dissatisfaction with proposed changes to the rules for joining an early retirement plan. (Reuters)

Ecevit Gives Up On New Coalition

ANKARA — Prime Minister-designate Bülent Ecevit warned political rivals on Sunday that his failure to form a government would probably return the Islamist opposition to power.

Mr. Ecevit, a secularist, said Saturday that he had been unable to put together a coalition after the fall of the conservative-led government last month. He said he would hand back the mandate to form a government to President Suleyman Demirel on Monday. (Reuters)

INTERNATIONAL

Branson's Balloon Enters Turkey, Avoiding Iraq

Reuters

LONDON — The British entrepreneur Richard Branson and his American former rival Steve Fossett have crossed into Turkey in their hot-air balloons on the third day of their round the world record attempt, the team said Sunday.

Mr. Branson and Mr. Fossett, who joined forces last year in a bid for the record, were cruising at an altitude of

about 27,000 feet (8,200 meters), at a speed of 76 miles (121 kilometers) per hour, according to a statement from Mr. Branson's London headquarters.

Mr. Fossett, 54, said, "The flight is going really good so far."

The balloon was launched from southern Morocco on Friday and the original flight path was altered to avoid flying over Iraq — target for four nights of attacks by British and

American bombers. The air strikes ended Saturday night.

The balloon crossed Libyan airspace Saturday and entered Turkish airspace early Sunday. The plan is now to head over Azerbaijan and Kazakhstan before turning southeast toward China.

Mr. Branson, 48, was suffering from a fever and a sore throat Saturday and was taking antibiotics but was said to be responding well.

Israeli Cabinet Approves Conditions for Talks

Agence France-Presse

JERUSALEM — A day before the Israeli Parliament is scheduled to vote on early elections, the cabinet on Sunday approved Prime Minister Benjamin Netanyahu's conditions for continuing the peace process.

The cabinet issued a decision containing five conditions Mr. Netanyahu considered essential for carrying out further withdrawals from the West Bank required by this autumn's Wye River land-for-security accord with the Palestinians:

• Israel is seeking peace with the Palestinians and seeking to advance the final status talks. Israel is committed to continuing the peace process in accordance with the principle of reciprocity. Israel will fulfill its commitments in the process when the Palestinians fulfill their commitments.

• The Palestinian Authority should renounce its intention to unilaterally declare an independent state with Jerusalem as its capital.

• The Palestinian Authority should halt violence and incitement to violence.

• Israel will not release murderers and prisoners with blood on their hands.

• The Palestinian Authority should collect and destroy illegal weapons in hands of Palestinian Authority officials and civilians, detain murderers in areas under Palestinian control and fully cooperate with Israel in combating terror as well as honor all other obligations under the Wye agreement.

Palestinian leaders were angered by the cabinet decision, which they described as a declaration of war on the majority of Palestinians and Israelis who want peace.

Ahmad Tibi, an adviser to the Palestinian leader, Yasser Arafat, said the cabinet decision "is a declaration of war against Palestinians and Israelis in favor of a radical minority in Israeli society."

Saeed Erakat, Palestinian chief negotiator, said that the Palestinian Authority totally rejects the five conditions.

He added: "This is part of Netanyahu's election campaign and Netanyahu is exploiting the situation in Iraq and the internal situation in the U.S. to destroy the Wye agreements."

Mr. Netanyahu announced last Wednesday that he will call early elections unless Parliament gave its formal support Monday to his hard-line stance for pursuing peace negotiations with the Palestinians.

If the Knesset does not approve the cabinet decision on Monday, Mr. Netanyahu said he would call for early elections.

BRIEFLY

Liberia Puts Troops on Border

MONROVIA, Liberia — Liberia has closed its border with Sierra Leone and deployed army units along the area, the government announced Sunday.

The measures were intended to prevent a spillover of escalated military operations in Sierra Leone, Reginald Goodridge, press secretary to President Charles Taylor, said in a statement.

The statement urged the armed forces of Liberia to collaborate with soldiers of Ecomog, the Nigerian-led West African intervention force deployed in Liberia and Sierra Leone. It ordered Liberian soldiers "to be in readiness for any eventuality." (AP)

Nigerian Denies Fund Transfer

LAGOS — Former Finance Minister Anthony Ani denied Sunday that \$2 billion of state funds had been transferred abroad and lost under the late dictator Sani Abacha.

Mr. Ani's denial came in response to allegations made this month by a spokesman for General Abacha's successor, General Abdulsalam Abubakar, who accused two former ministers and an Abacha family member of taking the money under the pretext of paying debts owed to a Russian company involved in a giant steel project.

"No \$2 billion was transferred to any company abroad," Mr. Ani said in a statement Sunday. "There is no way that \$2 billion could have been withdrawn from Nigeria in 1996 without completely depleting our meager resources." (Reuters)

Air Crash Bodies Identified

WASHINGTON — Canadian authorities have finished identifying the remains of the passengers and crew on Swissair Flight 111, the MD-11 that crashed off the coast of Nova Scotia, and the airline will begin returning them to families soon, according to the Nova Scotia medical examiner.

Flight 111 crashed Sept. 2 after leaving Kennedy International Airport for Switzerland.

With help from the Canadian armed forces and the Royal Canadian Mounted Police, and with heavy reliance on DNA testing, the medical examiner identified all of the 229 people on board except a pair of identical twins, 19-year-old men from Switzerland, whose DNA was indistinguishable. (NYT)

Specter of the Populist Demagogue Haunts Latin America

By Larry Rohter

New York Times Service

MIAMI — All across Latin America, presidents and party leaders are looking over their shoulders. With his landslide victory in Venezuela's presidential election on Dec. 6, Hugo Chavez has revived an all-too-familiar specter that the region's ruling elite thought they had safely inferred: that of the populist demagogue, the authoritarian man on horseback known as the caudillo.

A cashed-in army colonel, Mr. Chavez is to be sworn into office for a five-year term on Feb. 2, the eve of the anniversary of a bloody but failed military coup he led in 1992. Mr. Chavez, a 44-year-old former paratrooper, maintains that only a "social revolution" can be "the salvation of the country," and has vowed to convene a constitutional assembly that would rewrite Venezuela's charter and, in all likelihood, do away with the democratic two-party system that has prevailed for 40 years.

"We're running scared; we have sweaty palms," said Gonzalo Sanchez de Lozada, a former president of Bolivia who went to Caracas as part of an international delegation of

election observers. "Venezuela is something that will have a great impact."

The emergence of Mr. Chavez resonates far beyond Venezuela's borders for reasons both symbolic and practical. Venezuela was the birthplace of Simon Bolivar, the father of South American independence, and Mr. Chavez has presented himself as Bolivar's heir and disciple, despite his past disregard for the rule of law. In addition, the overthrow of the dictator Marcos Perez Jimenez in 1958 ushered in the modern cycle of civilian democratic rule in Latin America and made Venezuela a sort of political laboratory for the region.

Mr. Chavez's triumph augurs "the total disintegration of the strongest party system in Latin America," according to Arturo Valenzuela, director of the Center for Latin American Studies at Georgetown University. "It really is an extraordinary lesson: that you cannot over a period of time run a political system with an explicit or even implicit pact to divide up the spoils and rule the country on the basis of patronage."

In place of the parties, which for all their flaws have demonstrated respect for democratic institutions, Mr. Chavez seems inclined

to govern on the basis of a mystical bond he claims to have established with Venezuela's 23 million people. He has also implied that his new "people's government" will not need a Congress or other institutions to interpret the popular will and has said he prefers direct consultation with voters to the give-and-take of building legislative coalitions through compromise and negotiation.

"This trend towards government by referendum and plebiscite — that's not democracy, and that's what worries me the most," said Eduardo Gamarra, director of the Latin American and Caribbean Center at Florida International University here. "People in power who are having difficulties and want to forget the niceties of presidential democracy will be very attracted by this model of closing down Congress."

Since the gradual disappearance of military dictatorships in the early 1980s, the basic assumption of Latin America's civilian politicians, as well as their patrons in Washington, has been that democracy works in tandem with open markets, privatization and free trade. But Mr. Chavez's resounding triumph in a country with the largest oil reserves

outside the Middle East suggests a basic flaw in that thinking.

"There is growing frustration, anger and anxiety throughout Latin America because of the unrealized promises from increasing involvement in the global economy," said Jennifer Schirmer, a Harvard University professor who is an expert on Central American military regimes. "If the upper classes and the elite have grown richer, most people, including the middle class, are experiencing economic loss, greater instability and an exponential growth in crime."

Of course, Mr. Chavez could end up taking the same path as Carlos Menem, who was elected president of Argentina in 1989 as a Peronist but has governed as a textbook enthusiast of open markets. Then again, he may follow the course of Alberto Fujimori of Peru, who made good on threats to bypass the traditional political system and has transformed himself into a strongman.

Either way, a wake-up call to the perils of cronyism and growing income disparity has clearly been delivered to the region's leaders. What remains to be seen is who, if anyone, will heed the sobering message.

ASIA/PACIFIC

China Releases and Expels Labor Activist

By John Pomfret

Washington Post Service

BEIJING — A Chinese labor activist was released from prison and exiled to the United States on Sunday, a day before another prominent Chinese dissident was scheduled to be put on trial for his involvement in the first attempt to establish an opposition party in China.

Liu Nianchun, 50, was put on a Northwest Airlines flight that was headed first for Detroit and then New York. He was released six months before the end of his sentence, which was being carried out in a labor camp in northeastern China.

His wife, Chu Hailan, who had campaigned for his release, accompanied Mr. Liu to America along with their 11-year-old daughter. Mrs. Chu was beaten by security forces when she tried to hand a letter pleading for his release to the United Nations human rights commission, Mary Robinson, at a hotel in September.

Mr. Liu's sister was another step

in a flurry of political activity carried out by the Chinese government, which recently launched its most significant round of political repression in two years.

The effort to form the party started in June, on the day President Bill Clinton arrived in China for his meeting with President Jiang Zemin. On that day, Mr. Wang attempted to register the party in the eastern city of Hangzhou and Mr. Qin followed suit in Wuhan.

At their trials, neither Mr. Wang nor Mr. Qin was granted legal representation.

Mr. Liu, a former factory worker and a writer who is suffering from ulcers, was the third dissident to be freed from prison since November 1997, when a veteran activist, Wei Jing-sheng, was ousted. A former Tiananmen Square student leader, Wang Dan, was expelled in April.

So far, two men, Wang Youcai and Qin Yongmin, have been tried and are awaiting their verdicts; one, Mr. Xu, has been charged and will be tried; another, Xu Wampang, has been sentenced to three years of thought-reform-through-labor without trial and at least nine others are still in jail

awaiting charges. In all, 30 people were arrested but most of them have been released.

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China's government views labor activists with special alarm because millions of Chinese workers have been laid off over the last few years. It recently tightened labor laws to ensure that China's only union, which is tightly controlled by the Communist Party, remains unchallenged by an independent union.

■ Welfare Change Possible

China is considering passing a law to compel the expanding private sector to contribute to a new, Western-style social welfare system, an official newspaper, China Daily, reported Sunday, according to The Associated Press.

The social security system is an essential part of China's reforms to end central planning and make



Liu Nianchun, in a file photo.

state-owned industries compete in free markets. But without nationwide unemployment and pension programs, the government fears that the expected layoffs of tens of millions of unneeded state workers could cause unrest.

BRIEFLY**Cambodia Police Fire on Mob**

SIHANOUKVILLE, Cambodia — The police unleashed several volleys of gunfire over the heads of a mob ransacking the home of a Cambodian city's deputy governor on Sunday as a protest against the dumping of suspected toxic waste from Taiwan deteriorated into a riot.

The crackle of gunfire and whiz of bullets sent the mob of more than 300 people scurrying out of Deputy Governor Khim Bo's mansion and racing down side streets, but not before they had wrecked his home and set fire to a vehicle.

The attack on the official's home was prompted by a gathering of residents upset with an apparent business deal to dump Taiwanese waste on the outskirts of the port city of Sihanoukville, 185 kilometers southwest of Phnom Penh.

Earlier Sunday, the mob vented its anger at government officials and businessmen suspected of being involved in the deal by stoning government offices and trashing a hotel.

3

Pakistan and India Quarrel

ISLAMABAD, Pakistan — Pakistan and India have each expelled an official from the other's embassy on charges of spying, Pakistani authorities said Sunday.

The Indians expelled a junior official at the Pakistani Embassy in New Delhi on Friday, and Pakistan reciprocated by expelling an official of similar rank at the Indian Embassy in Islamabad, the Pakistan Foreign Ministry said.

Relations between Pakistan and India are tense due to a dispute over the Himalayan region of Kashmir, which is divided between them. Both countries claim all of Kashmir, where their differences have triggered two wars since both countries gained independence from Britain in 1947.

Kashmir is the only Muslim-majority state in predominantly Hindu India.

Nepal Leader Allies With Left

KATMANDU, Nepal — Prime Minister Girija Prasad Koirala of Nepal, whose government appeared set to fall, managed to persuade another party Sunday to help keep him in power.

Mr. Koirala struck a deal with the United Marxist-Leninist Communist Party of Nepal, one of the two big Communist groups.

The Marxist-Leninist Communist Party of Nepal nearly toppled Mr. Koirala's government when the party's 13 ministers quit the cabinet over several local disputes.

(AP)

Poison in North Korean's Body

SEOUL, South Korea — Military investigators found traces of poison in a body recovered from a suspected North Korean spy boat sunk by the South Korean Navy, officials said.

The finding indicated that some of the crewmen may have killed themselves before their vessel was sunk Friday, Defense Ministry officials said. The speedboat, believed to have carried four people, was spotted near the port of Yosu on the tip of the Korean Peninsula and was pursued and sunk.

(AP)



East Timorese pressing up against barbed wire fences surrounding the airport in Dili on Sunday as they protested after a visit by the UN special envoy to the Indonesian territory.

HERE IT IS — THE NEW NAME FOR TWO STRONG PARTNERS.
TOGETHER, WITH OUR COMMON STRENGTHS, WE'LL BE ABLE TO REACH
THE HIGHEST GOALS. WATCH OUT DAX, HERE COMES

Degussa-Hüls

Specialty chemicals now have a new spelling: Degussa-Hüls AG. The company will have 46,000 employees and will start with sales of more than DM 20 billion. Degussa-Hüls — an attractive new international company with high growth potential based on the combined strengths of two established firms. Degussa-Hüls — the latest word for more expertise, more commitment, more innovation.



A President on Trial / Support From the First Lady

Once Again, Mrs. Clinton Comes Out Fighting for Husband

By Melinda Henneberger
New York Times Service

WASHINGTON — As defiant as on the day she blamed the Monica Lewinsky scandal on a "vast right-wing conspiracy," Hillary Rodham Clinton went to Capitol Hill and blasted the impeachment process as unfair and politically motivated. She told House Democrats that the president would continue to fight, and that they should, too.

In a closed meeting with the House Democrats, Mrs. Clinton said she was there in part as "a wife who loves and supports her husband," and asserted that Republicans were impeaching her husband — "hounding him out of office," she said — because they opposed his agenda.

"She said this is as much about ending his agenda on health care and other things as about hounding him out of office," said Representative Bob Menendez of New Jersey. "She said there would be no resignation and we should not and cannot allow them to hound him out of office."

Mrs. Clinton's continued support for her hus-

band has been seen as crucial to his popularity, cited again and again by those who say they will stick with him, too, in statements along the order of "If Hillary doesn't mind, why should I?" or "That's between him, his God and Hillary."

She had been credited with saving his political skin at least twice before, appearing at his side on "60 Minutes" as he denied a long affair with Gennifer Flowers, and going solo on the "Today" show to complain about a "vast right-wing conspiracy" after Mr. Clinton's denial of "sexual relations with that woman, Miss Lewinsky."

And though Mrs. Clinton got generous credit for campaigning before the November elections, some Democrats had expressed a little nervousness lately, wondering why she had not offered fresh support for the president.

Her staff has insisted that she did all she could, consulting constitutional scholars and regularly discussing the issue with the president.

Friends said that she had been annoyed by suggestions to the contrary: Was she supposed to issue daily statements of support? Or lobby Re-

publicans who wince at the mention of her name?

On Saturday, though, her mission was clear. Mrs. Clinton is extremely popular among congressional Democrats — far more so than her husband — and she came to inoculate him against the possibility that Democrats could be persuaded that his resignation might be best for the country. Two House Democrats, Representative Louise Slaughter of New York and Representative William Lipinski of Illinois, had already said they would urge resignation if he were impeached.

"She was determined and defiant," said Representative Jerry Nadler of New York. "Her message was that they've been pursuing him since the day he came into office."

The president has not always enjoyed warm relations with congressional Democrats, many of whom disagreed with him on welfare and thought at times that he worked rather too cozily with their Republican counterparts. On Saturday, Mrs. Clinton reminded them that her husband was not the real issue.

"She said this goes beyond her husband, to the

constitution and the presidency," said Representative Charles Rangel, who has himself been critical of the president at times. Not on Saturday, though: "Resign? We say, 'Hell, no.'"

In what several members called a "pep rally," Mrs. Clinton thanked Democrats for their support and asked them to keep it coming, receiving half a dozen standing ovations. Afterward, members stood in line to give her a hug.

"She's probably the most popular person in the country with Democrats, period, and that's also true of us in the caucus," said Representative Eliot Engel of New York. Her appearance on Saturday, after supportive remarks she made on Friday, did seem to end a week of speculation that Mrs. Clinton had decided to protect her political future by distancing herself from her husband, in the hour of his greatest political need.

Representative Dennis Kucinich of Ohio said he felt pummeled up by the meeting with Mrs. Clinton: "It's a campaign all over again. This needs to be a fight every step of the way, and we're going to wake the town and tell the people."

10 Lawmakers Who Broke Party Ranks

New York Times Service

WASHINGTON — These are the 10 lawmakers, five Republicans and five Democrats, who broke party ranks on the crucial first vote on impeachment to charge President Bill Clinton with trying to federal grand jury:

Republicans who voted against impeachment:

• Christopher Shays, Connecticut, 53. Elected in August 1987 in a special election. For much of his 11 years in Congress, he has been a champion of reform and moderate causes, challenging the conservative members of his party on issues from abortion to gun control to campaign-finance reform. But his conservative credentials are never in doubt; he remains a loyalist to the outgoing House speaker, Newt Gingrich, and supports fiscally conservative policies.

• Constance Morella, Maryland, 67. Elected in 1986. A liberal Republican on issues like gun control and abortion, her conservative thinking is most evident on economic issues. She faced a well-financed Democratic challenger this autumn who accused her of moving to the right. She won re-election with 60 percent of the vote.

• Peter King, New York, 54. Elected in 1992. He shuns the label "moderate." He is proud to have received a 100 percent rating from the Christian Coalition and is unabashed about opposing abortion, affirmative action, bilingual education, gun control and anything that smells like a "good government" proposal.

• Amo Houghton, New York, 72. Elected in 1986. A leading moderate Republican who has a reputation as one of the nicest members of Congress. He is one of the creators of a weekend-long retreat to promote civility in the House. He has been a leading critic of Kenneth Starr's investigation of Mr. Clinton, but supported the opening of the impeachment inquiry by the House.

• Mark Souder, Indiana, 48. Elected in 1994. Although he voted against impeaching the president for perjury, he voted in favor of the third article approved by the House Saturday, which charges the president with obstruction of justice. He has been a voice for conservative issues in the House and comes from a heavily Republican district. He has also displayed an independent streak by opposing Mr. Gingrich in the 1996 budget negotiations.

Democrats who voted for impeachment:

• Gene Taylor, Mississippi, 45. Elected in October 1989 in a special election. As a Southern white Democrat, he is part of a dwindling political breed in Congress. He has a fiscally conservative voting record and has distanced himself as far as possible from Washington Democrats who are based in southern Mississippi. In 1996 he announced he would not support the re-election of Mr. Clinton.

• Paul McHale, Pennsylvania, 48. Elected in 1992, he did not run for re-election this year. He supported Mr. Clinton enthusiastically in both the 1992 and 1996 elections and voted for Mr. Clinton's positions about 75 percent of the time. In August, he became the first House Democrat to call on Mr. Clinton to resign.

• Ralph Hall, Texas, 75. Elected in 1980. Throughout his career in Congress he has been a staunchly conservative Democrat who regularly sides with the Republicans. He supported substantial portions of the Republicans' Contract With America in 1995.

• Charles Steinhorn, Texas, 60. Elected in 1978. The 10-term Democrat has emphasized conservative issues and political independence in his increasingly Republican district. He often bucks his own party on such issues as federal spending and abortion rights, voting with Mr. Clinton about half the time.

• Virgil Goode Jr., Virginia, 52. Elected in 1996. First won election by campaigning as a conservative on such issues as guns, abortion and tobacco while appealing to more liberal constituents with his support for civil rights and federal support for education. Like the other Democrats voting in favor of impeachment, he was one of the 31 Democrats who voted to open the impeachment inquiry.

• Charles Stenholm, Texas, 60. Elected in 1978. The 10-term Democrat has emphasized conservative issues and political independence in his increasingly Republican district. He often bucks his own party on such issues as federal spending and abortion rights, voting with Mr. Clinton about half the time.

• Frank Myers, an editor at the *Globe Gazette* in Mason City, Iowa, a 20,000-circulation daily, which produced an extra, said: "The last time we did it was when we bombed Iraq the first time. This is certainly as significant as going to war, in its own way."

(AP)

The two removed themselves from the case last summer after Mrs. Jones rejected a settlement that included \$700,000 and a statement from the president. Last month, Mrs. Jones, with new lawyers, accepted an \$850,000 settlement from the president, which did not include an apology.

(AP)

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10 Years
Who Broke
Party Rules

A President on Trial / A Remarkable Day

By Eric Pianin
Washington Post Service

WASHINGTON — Fearing a controversy over his sexual past would undercut his power and tear apart his family, Representative Bob Livingston, Republican of Louisiana, told an astounded House he would not assume the speakership he claimed last month but would instead resign from Congress next year.

Mr. Livingston made his unexpected announcement Saturday during the impeachment debate on the House floor after pointedly calling on President Bill Clinton to resign, which at first stirred angry shouts from Democrats. "No!" they shouted. "You resign! You resign!"

But the chamber suddenly fell silent as the congressional revealed that he would end his own political career. "I believe I had it in me to do a fine job," Mr. Livingston said. "But I cannot do that job or be the kind of leader that I would like to be under current circumstances."

The White House Strategy
Republicans Are, in Effect, Shutting Down Government, Clinton Spokesmen Will Say

By James Bennett
New York Times Service

WASHINGTON — As the House voted on impeachment, President Bill Clinton had already worked out a strategy to govern as no president has for 10 years, under impeachment and in the glare of Senate trial.

The White House is planning a much more aggressive defense of Mr. Clinton's conduct before the Senate than it presented to the House, alongside a blaze of campaign-style events early next year to promote his policies around the country.

On Saturday morning, his senior aides spent more than two hours discussing proposals for his State of the Union message next year, even as they monitored the turbulent debate before the impeachment vote on Capitol Hill.

Expecting Republican resistance to any legislation backed by Mr. Clinton, his aides are prepared to argue that the Republicans are in effect shutting down the government for partisan reasons, once again.

"The Republicans run a risk if they pursue a strategy that puts America's interest last," said Joe Lockhart, the White House press secretary. "There is a certain amount of tolerance for partisan politics, and they've had just about enough."

But even some of the president's loyalists wonder if this approach — versions of which he has used time and again to battle back from political reversals — will work now, in the muddied, complex political environment he enters with the vote Saturday.

"There's no way he's going to be able to get anything done," said Leon Panetta, the former chief of staff. "It's very tough to get anybody's attention when there's a train going by behind you. They'll see your lips moving, but they won't hear anything."

White House aides as well as outside experts argue that Mr. Clinton will retain a stronger hand in foreign policy, where the chief executive is always free to act. The real question, they say, is whether he can promote his ideas domestically, against contentious opposition in the legislative branch.

Mr. Clinton has been acting on a lesson he has repeated to his aides since he first confronted national scandal as a candidate in 1992: "If I make this about their life, rather than mine, we'll all be better off," as one Clinton adviser recalled it.

But Republicans will try to make it about him, the White House expects, arguing that he should resign.

"He is not resigning," one of Clinton's closest advisers said. "It's just not in his nature."

Impeachment and the Senate trial, together with the venom coursing through Washington, could guarantee legislative stalemate well into 1999, in view of White House aides and other political experts.

But the president will be ready to present himself as bursting with ideas. For weeks now, Mr. Clinton has been meeting behind closed doors at the White House to pick budget priorities for next year and to tote up his annual laundry list for the State of the Union address. He will promote those ideas, many of which are poll-tested for popularity, in a trip around the country immediately after the speech, aides said.

Topping that list this year is a plan to fix Social Security, which the White House is still formulating. For years, Mr. Clinton has counted on achieving entitlement reform as a lasting accomplishment.

The White House is also planning to push for more spending for school construction, tax cuts for scientific research, and regulation of managed care plans. The president wants to present a plan to cut smoking among children, and to revive a call to tighten the campaign finance system.

In foreign affairs, Mr. Clinton can also expect challenges to authority, which began even before he ordered strikes on Iraq last week. But the United States — and the executive branch — still yields so much clout in foreign affairs that Mr. Clinton is likely to keep more room to maneuver overseas.

With the continued support of leaders like Prime Minister Tony Blair of Britain also giving Mr. Clinton some shelter, the White House is sketching out foreign travel for him next year.

As he strode from the podium, members from both sides of the aisle rose in ovation.

Even as the House began voting articles of impeachment, Mr. Livingston's announcement precipitated an immediate leadership scramble among Republicans. Representative Dennis Hastert, Republican of Illinois, the chief deputy majority whip, swiftly emerged as the consensus candidate for speaker, with the backing of virtually every outgoing and future Republican Party leader.

In a year of bizarre political turmoil, the spectacle of a speaker-designate resigning on the same day the House voted to impeach the president over alleged lies in sworn testimony about an affair with a former intern left even the most seasoned veterans gaping and shaking.

"How many more good people are going to be destroyed next by Christians?" asked Representative David Obey, Democrat of Wisconsin, a friend of Mr. Livingston's, fighting back tears.

"What are we going to do? Line them all up and now them down?"

Representative Michael Castle, Republican of Delaware, added: "This is all so overwhelming. There have been so many bombshells you can barely turn your back."

At heart of Livingston's decision to resign was both political calculation and personal concern.

Mr. Livingston made his decision early Saturday, after a long night of soul-searching and consultation with his wife of 33 years, Bonnie. It was his wife who had insisted that he disclose his past extramarital affairs on Thursday, after learning that Hustler magazine was preparing an exposé about Mr. Livingston and other members of Congress.

At the heart of his decision was both political calculation and personal concern, according to associates and aides.

Even before his official election as speaker by the incoming House, Mr. Livingston's support among Republicans had begun to erode because of outrage among a handful of social conservatives and moderates over his sexual revelations.

Representatives Donald Manzullo, Republican of Illinois, and Steve Largent, Republican of Oklahoma, both committed religious conservatives, were among the most outspoken critics. A few prominent moderates said privately that they were upset because Mr. Livingston had not disclosed the affairs before he was picked to succeed the outgoing speaker, Newt Gingrich, Republican of Georgia.

With Republicans holding a majority edge over the Democrats of only six seats in the incoming House, Mr. Livingston would have lived in constant fear of losing a handful of defectors.

"He knew some members were in a quandary over the moral authority associated with him," said Representative Zach Wamp, Republican of Tennessee.

a Livingston backer. He added that discussions were underway Friday night on who might be prepared to step in as speaker.

But Mr. Livingston was less concerned about his diminished support than the corrosive effect of the controversy on his marriage, which he said had barely survived his past indiscretions. His wife insisted that he resign the speakership to avoid more embarrassment and he complied, according to several Republican lawmakers.

He did so as much for his wife "as for him and his country," said Representative W.J. Taurin, Republican of Louisiana, a close friend. "His wife was in agony."

"He made some mistakes in his life that came back to bite him, and he did the honorable thing," said Mark Corallo, Mr. Livingston's press secretary. "He could have hung on as speaker, but who wants to hang on?"

Mr. Livingston, 55, a former federal prosecutor and until recently the chairman of the House Appropriations Com-



Bob Livingston leaving his office after announcing his resignation.

mittee, avoided reporters' questions other than to say: "I just woke up this morning and it seemed like a good thing to do." He added, "I feel great."

While many had high hopes that Mr. Livingston, an affable and highly popular lawmaker, would lead the House into a new era of comity, his relations with Democrats quickly soured when he recently sided with conservatives in blocking a House vote on censure as an alternative to Mr. Clinton's impeachment.

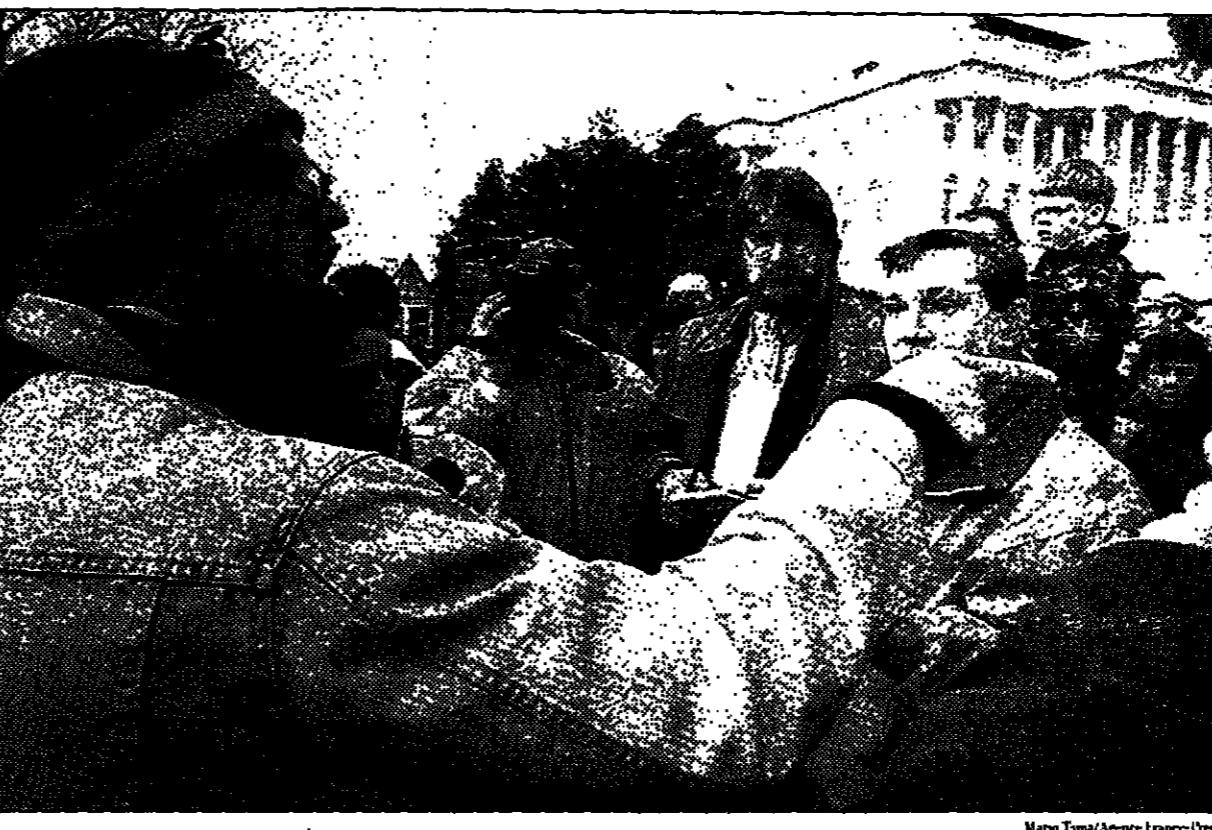
Hastert Appears Set for Post

By Edward Walsh of The Washington Post reported:

Representative Hastert, a former high school wrestling coach with conservative views and a mild manner, appeared Saturday night to have sewn up the contest to become the next speaker of the House. Mr. Gingrich, the majority whip, Tom DeLay of Texas, and other powerful Republican lawmakers threw their support behind Mr. Hastert.

By Saturday evening, members said, Mr. Hastert had collected more than enough votes to ensure a smooth succession when the new Congress meets in January. Two other Republicans who briefly considered their own bids — Mr. Largent and Representative Christopher Cox of California — said they would back Mr. Hastert. There were no other potential rivals looming.

Mr. Hastert serves as Mr. DeLay's chief deputy, and has been a leading Republican figure on health care issues, overseeing the party's efforts opposing Mr. Clinton's unsuccessful health care plan in 1994. This year, he helped craft a Republican alternative to the administration's proposal for protecting the rights of patients with health maintenance organizations.



People arguing outside the Capitol in Washington while the House voted to impeach President Bill Clinton.

A Numb Nation: From 'Very Saddened' to 'Hooray!'

By Robert D. McFadden
New York Times Service

NEW YORK — Many Americans voiced anger, disgust and frustration with the proceedings. Some radiated grim satisfaction. But as President Bill Clinton's long, painful journey from scandal to impeachment ended, most Americans were just benumbed, inoculated by the seemingly endless months of lies, legalisms and disillusionment with politics, Washington-style.

As the House cast the fatal votes to send perjury and other charges against Mr. Clinton to the Senate for trial, countless Americans paid scant attention, opting for football on television or Christmas shopping, a reflection of polls that had shown that the people overwhelmingly opposed an impeachment of a president had occurred only once before, 130 years ago.

Still, there was great drama in the day — the bombs falling in Iraq, the stunning announcement that Representative Bob Livingston, Republican of Louisiana, would not serve as speaker and would resign from the House after admitting adulterous affairs and the realization by many that the impeachment of a president had occurred only once before, 130 years ago.

And around the nation, Americans paused in homes, restaurants and shopping malls decked out for Christmas to watch the televised spectacle. Some en-

joyed the Republican-dominated vote to impeach, insisting that even a president was not above the law and that impeachment was necessary for moral accountability. Others called on the president to resign and spare the nation months of agony.

But in interviews in New York, Seattle, Boston, Los Angeles, Chicago, Miami, Houston and other cities, most people, while deplored Mr. Clinton's behavior in trying to cover up his affair with Monica Lewinsky, said they opposed impeachment, calling it excessive punishment and perhaps harmful to the nation.

"It strikes me as dangerous," Greg Noonan, a first-year law student at Harvard, said as the impeachment vote flashed on a television screen at the Three Aces, a restaurant in Cambridge, Massachusetts.

"And most infuriating of all, it strikes me as completely ignoring the will of the American people."

In Seattle, several people working out at the Olympic Athletic Club shook their heads in disgust as the vote unfolded on overhead screens.

"I'm very, very saddened," said Ross Carey, a doctor, who said the Republicans had "put politics ahead of what is best for the country."

Bob and Carol Wentink, a Chicago couple, said impeachment seemed excessive for what the president did. "It's

a shame," said Mr. Wentink, 54, an electronics designer. "I think there's too much interest in private lives. While he did wrong, I don't think he deserves to be impeached."

His wife, a retired teacher, added: "I think it's a huge mistake. It's going to affect the way people look at the world look at us."

Evan Ackerman, 28, a financial consultant in Miami, also called impeachment inappropriate. "But that doesn't necessarily mean I like Clinton," he added. "Even if he is a sleazebag, they should wait until he leaves office. He should be scolded, sued for millions of dollars, reprimanded."

Greater forgiveness was to be found at the Hair Place, a beauty salon in the New York City borough of Queens. "So he lied under oath," said Diana Barnett, 41, an office manager who lives in Roosevelt, Long Island. "That's a pretty issue. Everybody lies. It's like his wife issue. There are so many other issues, like hunger and health care, to be concerned about."

Paul Trageser, 62, a silversmith from Cincinnati, said the impeachment had been motivated by pure politics. "It's partisan, it's unfair, it's a witch hunt," he said in Los Angeles, where he was visiting. "I'm sick of what the Republicans have done over the past few years — so squeaky clean and hypocritical. It's sad and bizarre."

Around the country, however, there were many who approved of impeachment.

"Hooray!" yelled Ann Jewel, who heard the news in Chicago.

A 57-year-old receptionist for an insurance company and the mother of five, Ms. Jewel said she had voted twice for Mr. Clinton, but had come to believe that he betrayed the country and was not sincere in his many apologies. "He put his hand on the Bible and lied," she said. "A lot of things can be forgiven, but to be forgiven a person has to be sorry. He cannot be forgiven just because he is caught."

In Houston, Monika Miura, 48, a legal librarian, said that Mr. Clinton, like any citizen, had to be held accountable for lying under oath. "If anyone needs to be above reproach and needs to be an honorable individual, it should be the president," she said. "This is not an issue about sex. This is an issue about honor and truthfulness."

Gertrude Jackson, 75, a retired Chicago department store cashier, also said that she favored impeachment and that it was not about sex.

"Everybody knew when he was elected that he was a woman-chaser," she said. "He just got too big for his britches. He broke the law. He should be punished."

In Denver, John Harless, a 53-year-old retired banker, said Mr. Clinton had no one to blame but himself. "It's a somber moment, and I'm not happy about it," Mr. Harless said. "He did some good things. It's too bad he recklessly endangered the office of the president. He ruined his own presidency."

Hardly anyone defended Mr. Clinton, but many expressed concern over the possible effects of his impeachment — on the economy, on the stability of government, on the conduct of foreign affairs and on the future of the nation.

Behind Livingston's Fall: An Eccentric Pornographer

By Howard Kurtz
Washington Post Service

WASHINGTON — When Larry Flynt, the former chief of staff, "It's very tough to get anybody's attention when there's a train going by behind you. They'll see your lips moving, but they won't hear anything."

White House aides as well as outside experts argue that Mr. Clinton will retain a stronger hand in foreign policy, where the chief executive is always free to act. The real question, they say, is whether he can promote his ideas domestically, against contentious opposition in the legislative branch.

Mr. Clinton has been acting on a lesson he has repeated to his aides since he first confronted national scandal as a candidate in 1992: "If I make this about their life, rather than mine, we'll all be better off," as one Clinton adviser recalled it.

But Republicans will try to make it about him, the White House expects, arguing that he should resign.

"He is not resigning," one of Clinton's closest advisers said. "It's just not in his nature."

Impeachment and the Senate trial, together with the venom coursing through Washington, could guarantee legislative stalemate well into 1999, in view of White House aides and other political experts.

But the president will be ready to present himself as bursting with ideas. For weeks now, Mr. Clinton has been meeting behind closed doors at the White House to pick budget priorities for next year and to tote up his annual laundry list for the State of the Union address. He will promote those ideas, many of which are poll-tested for popularity, in a trip around the country immediately after the speech, aides said.

Topping that list this year is a plan to fix Social Security, which the White House is still formulating. For years, Mr. Clinton has counted on achieving entitlement reform as a lasting accomplishment.

The White House is also planning to push for more spending for school construction, tax cuts for scientific research, and regulation of managed care plans. The president wants to present a plan to cut smoking among children, and to revive a call to tighten the campaign finance system.

In foreign affairs, Mr. Clinton can also expect challenges to authority, which began even before he ordered strikes on Iraq last week. But the United States — and the executive branch — still yields so much clout in foreign affairs that Mr. Clinton is likely to keep more room to maneuver overseas.

With the continued support of leaders like Prime Minister Tony Blair of Britain also giving Mr. Clinton some shelter, the White House is sketching out foreign travel for him next year.

public officials. From the Miami Herald to the National Enquirer, from Newsweek to Matt Drudge, from the Indianapolis Star to Salon, the old limits on what was deemed fair game for aggressive journalists have been lifted but obliterated. There are simply too many pathways — front door, back door, basement drapery — for sleaze to drip its way into the mainstream media.

No news organization says it is delving into sexual matters simply for salacious effect, or to sell news or grab ratings share. The investigations are generally attributed to the importance of some larger value, such as character, dishonesty or hypocrisy.

This, of course, has been the mantra of prosecutors, journalists and many politicians in probing Mr. Clinton's relationship with Monica Lewinsky — the notion that it's not about sex, it's about perjury. But that in turn has emboldened some journalists to ask whether those judging the president have sexual skeletons in their own closets.

"Even Larry Flynt, while he's doing it for publicity, in his own twisted way has a history of using embarrassment and sexuality to expose what he sees as hypocrisy," said Tom Rosenthal, director of the Project for Excellence in Journalism.

In today's hyperactive media world, he said, "there are no gatekeepers anymore. These things are no longer veiled from the press. They're vetted by the public."

The sexual outtings in the last four months have all been framed as a reaction to Republican criticism of Mr. Clinton and Ms. Lewinsky. That was the rationale offered by the Indianapolis Star & News in reporting that Representative Dan Burton, Republican of Indiana, had fathered a son out of wedlock and by the Idaho Statesman in disclosing that Representative Helen Chenoweth, Republican of Idaho, had a relationship with a married man.

Salon, the left-leaning on-line magazine, declared flatly that "ugly times require ugly tactics" in unearthing a 30-year-old affair by the chairman of the House Judiciary Committee, Henry Hyde, Republican of Illinois.

Mr. Livingston, like his Republican colleagues, preempted the Hustler disclosure late Thursday by acknowledging the affairs — giving the mainstream press a license to report them without having to wrestle with Mr. Flynt's credibility.

Other politicians may face the same dilemma for Mr. Flynt says his big-bucks offer has produced information on infidelities by up to a dozen members of Congress and senior officials.

"I assure you, there are many others to come

EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**After Impeachment****Censure by the Senate**

Since the House of Representatives mirrors the best and worst in the American political system, it was perhaps fitting that Saturday was such a tumultuous and unpredictable day. It saw an orderly, if misguided, use of the constitutional process. It brought passage of two articles of impeachment against President Bill Clinton on a brutal party-line vote that defied the will of the American people. It brought the abrupt resignation of Representative Bob Livingston, a Republican leader who had failed to seize his opportunity to lead his party from the thicket of blind partisanship.

Yet, with both the White House and the majority party in Congress locked in a crisis of leadership, one element remained unchanged. The way back to stability is a censure resolution that condemns Mr. Clinton for lying under oath but allows him to remain in office. The task of securing that outcome passes dramatically to the Senate, a body that prides itself on being the American government's citadel of balanced judgment in the midst of crisis.

As the magnifying lens of history fixes upon the Senate, we will see whether its majority leader, Trent Lott, can carry the burden that crushed Mr. Livingston. The latter will be viewed in the short term as a victim of the sexual puritanism that he had wielded as a weapon against Mr. Clinton. But in the longer view Mr. Livingston will be remembered for allowing the hard-liners in his party to rush the country to an unnecessary impeachment showdown.

Senator Lott's first challenge is to block the move by House Republicans to force Mr. Clinton to follow Mr. Livingston's example by resigning. The attempt to force the president to resign would be a repudiation of the public will. Moreover, it would threaten the rule of law by showing that Congress cannot define and enforce an appropriate penalty for a president who

has failed in his duties, but whose misconduct does not meet the constitutional standard for removal.

Mr. Lott's second challenge, then, is to guide the Senate to the stem, bipartisan resolution of censure that has been endorsed by many Republican elders. Tim Russert of NBC News has reported that discussions are underway among a bipartisan group of senators about a censure that would involve some form of presidential admission about false testimony, a heavy monetary fine and an effort to restrain independent counsel Kenneth Starr from further prosecution of Mr. Clinton.

If Mr. Lott refuses to allow this kind of flexible, bipartisan search for censure, the burden of his abdicated leadership will fall upon respected members like Joseph Lieberman on the Democratic side and Orrin Hatch for the Republicans. Through cooperation, they can guide the Senate toward a punishment that fixes Mr. Clinton in history as a president who lied under oath, but avoids the taint of partisan vengeance associated with the House impeachment vote.

But even if the senators behave responsibly, they and the country face the problem of dealing with a battered president whose calculated strategy of lying over the airways and under oath has prolonged this crisis for a full year. If Mr. Clinton clings to his deluded effort to make Congress and the American people endorse the insulting fiction that he did not lie under oath, he will feed the Republican efforts to force his resignation. He will also invite a showdown at his Senate trial on the strong evidence behind the impeachment article charging him with grand jury perjury.

Under Senate rules, the 45 Democratic members need only six Republicans for the simple majority that can adjourn the trial at any time and open the way to a censure resolution. But these votes cannot be purchased with more lies from Bill Clinton.

—THE NEW YORK TIMES.

although it had a significant factual basis, proceeded in the face of contradictory evidence. To free the House from the discipline of substantially investigating its allegations before impeaching on them is to open the door for reckless impeachments. The perjury article widens the scope of allegations that can reasonably form the basis of an impeachment. The obstruction count stands for the unfortunate proposition that factual rigor no longer need be a necessary component of an impeachment.

Making it all worse was the crude power play by Republicans in blocking consideration of the Democratic censure alternative. Many Republicans justified the move with grandiose, if meritless, constitutional arguments; the leadership justified it in the name of the rules and precedents of the House. In fact, the move was an effort to deny members a true vote of conscience.

The impeachment question was a much tougher one than the White House and its defenders will acknowledge, and many of the incremental decisions led to the vote on Saturday were also difficult. But the combined message of Saturday's votes is that a single party in a lame duck Congress can impeach a twice-elected president who retains substantial public confidence. It can do so, moreover, on the strength of inadequately supported allegations of charges for which prudence might well caution against impeachment. And it can do so, finally, by heavy-handed tactics preventing members from adopting more cautious alternatives. One does not have to be a supporter of Mr. Clinton to worry that this message is dangerous both for the presidency and for the rule of law in the name of which he has now been impeached.

—THE WASHINGTON POST.

Other Comment
Wacky Role Reversals

The Republicans were so determined to do their high-tech lynching that they engaged in wacky role reversals. Many Republican hawks argued that Bill Clinton should not be bombing Saddam Hussein, claiming that the timing was suspicious, even though they had hammered him for not bombing five weeks ago.

I here's too much hate here.

—Maureen Dowd, commenting in *The New York Times*.

Herald Tribune

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**Leadership Means Good Ideas and Good Character**

By David S. Broder

WASHINGTON — Leadership by example. That simple phrase evokes the most basic of values — responsibility, trust, honor and courage. It came into view in dramatic fashion Saturday morning when Bob Livingston, the Louisiana Republican, said he would step aside as the speaker-designate of the House of Representatives.

"I cannot do that job or be the kind of leader that I would like to be under current circumstances," he said, referring to charges of marital infidelity that he had acknowledged two days earlier. "So I must set the example that I hope President Clinton will follow."

His words brought a note of sobriety and solemnity to what had been an increasingly harsh and partisan debate. Some Republicans had barely been able to contain their glee at the prospect of punishing a political foe who so often had outwitted them. Some Democrats, frustrated by the refusal of the majority to allow them the easy option of a censure resolution, lashed out at an "impeachment coup d'état."

But Mr. Livingston's challenge hung in the air. The White House and House Democratic leaders responded by urging him to reconsider and not give in to what the minority leader, Dick Gephardt, called "tactics of fear and smear." Those

tactics are indeed obnoxious, whether they emanate from the publisher of Hustler or from a political "war room."

But the charges facing the president stemmed from a sexual harassment suit which a unanimous Supreme Court — unwise, in my view, but nonetheless unanimously — allowed to proceed during his tenure in office. They stemmed from the investigation of an independent counsel, whose work was authorized by the attorney general, an appointee of the president. Some of the tactics used by that independent counsel, Kenneth Starr, offended my civil libertarian instincts, but they were permitted by the authorities who appointed him.

The president challenged many of those measures in court, but his claims were rejected. In the course of protecting himself from the consequences of his disgraceful behavior with a White House intern half his age, he may well have lied to a federal grand jury.

It is those alleged lies which are at the heart of the perjury and obstruction of justice impeachment case that the House voted on Saturday to send to the Senate for trial. There the president will have the opportunity he deserves to challenge

evidence assembled by the independent counsel and presented by the House Judiciary Committee.

words of one of the most honorable, least partisan members of the House, Representative Jim Leach of Iowa:

Mr. Leach is a Republican who has led by example. As a young Foreign Service officer, he resigned his post to protest Richard Nixon's "Saturday night massacre" of independent counsel Archibald Cox and senior Justice Department officials. In 1997, he put his chairmanship of the Banking Committee in jeopardy by refusing to vote to continue the scandal-stained Newt Gingrich in the speaker's chair, instead casting a symbolic ballot for retired former Republican leader Bob Michel.

Explaining his "reluctant" vote for impeachment, Mr. Leach said: "In fulfilling his constitutional duty to lead the United States government, the president has an implicit obligation to stand as the apostrophe of American values. While ethics are ... at bottom a matter of individual responsibility, an American president must be above demeaning behavior and free of any shadow concerning allegiance to the law and to the truth ... Leadership is a conjunction of good ideas and good character. One without the other is unsustainable."

So Mr. Livingston concluded. Does Mr. Clinton think otherwise?

The Washington Post

For Clinton's Enemies, the Will of the People Doesn't Matter

By Bob Herbert

NEW YORK — In the end, the will of the people meant nothing. Bob Livingston could not have been clearer about that.

His mind and the minds of his followers were closed. Even as the bombing continued in Iraq and Americans from coast to coast were clamoring for an alternative to impeachment, even as his own adulterous past was being flushed out in the grotesque invasions of privacy that inevitably followed the relentlessly prurient pursuit of the president, even as the country began to contemplate the destructive effects of a lengthy and bitter Senate trial, the speaker-designate arrogantly and stupidly proclaimed: "Let us disregard the outside influences."

The radicals on the Hill would hear nothing but the echoes of their own fanaticism. Impeach! Impeach!

And that continued even after the stunning announcement Saturday morning that Mr. Livingston

would leave the House. Dismayed by the partisan stampede, Dick Gephardt, the Democratic leader, warned during the impeachment debate on Friday: "In your effort to uphold the constitution, you are trampling the constitution."

David Bonior, the Democratic whip, said: "This is wrong. It is unfair. It is unjust. At a time when events in the world and the challenges at home demand that we stand united, censure is the one solution that can bring us together. To my colleagues across the aisle, I say let go of your obsession. Listen to the American people."

But the voices of reason would not be heard. Mr. Livingston and his right-wing colleagues, the Tom DeLays, the Henry Hydes, the Bob Bars, were on a mission of destruction and would not be denied. Ordinary Americans could cry out all they wanted. They could

protest and demonstrate, send faxes and e-mails. It didn't matter. The right was on the march and democracy was on the run.

Representative Thomas Barreiro, Democrat of Wisconsin, tried to remind his Republican colleagues that the constitution "does not allow you to remove a president from office because you can't stand him." He was, of course, ignored.

The Republicans will pay a huge price for their brazen, utterly partisan attempt to drag a president from the White House in defiance of the will of the people. The party's contempt for the voters was arrogantly but quite adequately summed up by Alan Simpson, the former senator from Wyoming: "The attention span of Americans is which movie is coming out next month and whether the quarterly report on their stock will change."

If the voters are the dopes that

Mr. Simpson thinks they are, then come 2000 everyone will have forgotten that there was an impeachment crisis. But Representative Robert Menendez, Democrat of New Jersey, was probably closer to the truth when he said, "I warn my colleagues that you will reap the bitter harvest of the unfair partisanship seeds you sow today."

One of the many strange events of the past couple of weeks was the way in which virtually all of the previously undecided Republicans, the so-called moderates, surrendered their independence and lined up like lackeys to follow the right wing's lead.

All proclaimed loudly that they were voting on principle, but in fact it was an exercise in mass cowardice, exemplified by Representative John McHugh of upstate New York.

Mr. McHugh announced on Tuesday that he would vote for impeachment. If his decision was based on principle, he had

an odd way of expressing it. The Washington Post said he appeared to have no stomach for a Senate conviction or removal of the president from office. Of his colleagues in the Senate, Mr. McHugh said, "I, for one, would accept, even welcome, their mercy." In other words, let the Senate do the heavy constitutional lifting.

Representative McHugh may have wished out loud for mercy, but he clearly was too frightened of the right-wingers in the House to cast a courageous vote himself.

The Republicans can no longer conceal that they are a party of extremists, of right-wing absolutists, a party out of step with the political and cultural orientation of most Americans. Bob Livingston may be leaving, but his arrogant command can still serve as his party's slogan: "Let us disregard the outside influences."

The New York Times

Let's Hope Clinton Stays on the Job and Fights It Out

By Richard Cohen

WASHINGTON — It can be said, probably without contradiction, that Andrew Johnson would have joined the ranks of forgotten presidents had he not been impeached. Lacking a war, a depression or something similarly dramatic, he earned his place in history by clinging to his presidency, saving it and its authority for those who came after him, a good fight.

This, after all, is an attempt to depose a president, a momentous event on the face of it, although tedious and tawdry beneath the surface. At its core, really, is something besides a stated concern for the rule of law: This president was impeached not just because he lied (and, yes, he did) but because he is loathed.

The proof came with the at-

tack on Iraq. This produced a Perry Mason moment, something akin to the standard scene in which clever Perry gets the bad guy to blurt out the truth on the witness stand. In this case, several important Republicans could hardly contain themselves. Instead of saluting their commander in chief and issuing the standard statements of support, a brawl ensued.

Senator Trent Lott, the majority leader and former University of Mississippi cheerleader, burst onto the field, leaving his brains on the bench. "I cannot support this military action ... at this time," he said.

Gerald Solomon, Republican of

grich, the lies told to others and, in the case of Monica Lewinsky, to us all, may be reprehensible. But they should not have been impeachable. The lies that turned out to be impeachable were all connected to sex.

Mr. Clinton lied to protect himself from embarrassment, from a mortification that, as anyone could see from the tape of his grand jury testimony, chilled him to his quick and powdered his face with the pallor of death. He lied because the truth was a cancer from which he might never recover.

A majority of Americans understand that. A majority do not share or even fathom the belief that the Washington Republicans have for this president. Maybe, though, they will understand that if loathing or hatred, contempt or whatever, is going to form the underlying motive for impeachment, then it could happen again. Next time it could be even more overtly ideological. Will one side in the abortion-school prayer-pornography-homosexuality debate punish a president who opposes them? Could be.

William Jefferson Clinton did lie, and as a result he was impeached. The cries have already come for him to resign and spare the nation the long trial, the ugly divisiveness. That day may yet come. But for now the best thing he could do for his country is stay in office and wait for acquittal or accept censure. He is not, as it happens, a worthy man, but this is a worthy fight.

The Washington Post

East Asia Cares About the Gulf

By Gerald Segal

LONDON — Responses in East Asia to the latest bombing strikes against Iraq tell us about the priorities of the Asian powers and about the risks for the region if the United States should fail to prevent Saddam Hussein from assembling a usable arsenal of weapons of mass destruction.

To the surprise and delight of U.S. officials, Japanese Prime Minister Keizo Obuchi issued a forthright defense of American action in the Gulf. The arguments are sometimes good, always familiar: For the good of the country, for the good of the party, the good even of Al Gore. These are all serious

considerations and I do not dismiss them out of hand. In time, Mr. Clinton may serve the presidency best by leaving it.

But not now. Not yet. He owes all Americans, not to mention the presidents who came after him, a good fight.

This, after all, is an attempt to

depose a president, a momentous event on the face of it, although tedious and tawdry beneath the surface. At its core, really, is something besides a stated concern for the rule of law: This president was impeached not just because he lied (and, yes, he did) but because he is loathed.

The Chinese response to the raid on Iraq was sharply worded verbal attacks on the United States. The Chinese feel that if the United States is able to use force at will in the Gulf, it will feel free to do the same in Asia.

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The Chinese response to the raid

Char

BOOKS

LEARNING A TRADE:
A Craftsman's Notebooks,
1955-1997

By Reynolds Price. 603 pages. \$34.95.
Duke University Press.

Reviewed by Carolyn See

THIS long volume of Reynolds Price's notebooks has been published by the author, in the hope, he writes, that it may serve as a "practical companion for younger applicants among us who've been to enter a guild as forbidding as any." In other words, Price suggests that his notes about writing might help younger writers to get some kind of handle on the literary trade (which he likens in one or two sentences to cabinetworking) and give those same would-be writers a possible way to understand their own "creative ambivalence," a method for measuring the strength of their creative impulses.

But Price is like a great French chef who gives out the recipe for a signature dish and leaves out one or two of three important ingredients. These are the notes of an (unconscious?) elitist. They will give you a sense of how to live the writer's life if you've been smart enough to have become a Rhodes scholar and a Meridianian, to have spent three years at Oxford, to have come under the personal influence of Stephen Spender, to have completed a thesis on Milton under the rigorous supervision of the magical, spellbinding Helen Gardner, and to have acquired the early, benign attentions of W.H. Auden, Rose Macaulay and Cyril Connolly.

This is a man who casually mentions sending material to Rus Hills at Esquire and if you don't know that Hills, then fiction editor, was occasionally capable of dazzling set pieces of his own such as "Living Alone in Bad Company," or

that the legendary Dame Helen liked to serve smoked trout and strong martinis to her guests, Price isn't going to tell you. If you don't already know what Reynolds Price is talking about, tough luck.

These notebooks, which run from 1955 to 1997, show us a young author drunk on other people's words, a young man looking around, for his own material, his own distinctive prose style.

He reads such dissimilar novels as "Mrs. Dalloway" and "Huckleberry Finn." He quotes a now-famous passage from E.M. Forster's "The Longest Journey" on friendship (read gay relationships).

It's both instructive and sobering to see how perfectly these early passages date Price in a particular time: The books he reads are precisely the books that bright men and women read in the late '50s. The amazing part here is that the young Price never expresses the slightest doubt or worry or angst that he might not ever be ranked among these greats.

So here are the literary notebooks of a distinguished modern American novelist, playwright and poet. They bristle with schedules and plans that any working writer will surely recognize: write for two hours a day, answer mail for an hour, clean up the paper mess for an hour, work on learning the idiosyncrasies of the word processor. There are lists and lists of possible proper names for characters in one work or another and exhausting discussions about how one character might fall in love with another, or fall out of love; of whether a character might be wakened from sleep when something happens, or answering the phone, or drinking coffee, etc., etc.

For the working writer, this is a de-

pressing volume. All this work! And yet, many of these novels, plays, poems, didn't do all that well. (Price allows himself quite a few snide remarks about book reviewers, which suggests that the reviewers didn't love him very much.) And where's his material? Again and again the author goes back to his parents, and especially his mother. And memories of a summer at his boy's camp. And back again to his mother. This is an enclosed, extremely self-absorbed life we're looking at here. Is it the writing that keeps Price from living, or is he just not telling us about his life?

I missed the connections of literature to that life in these notebooks. By all accounts, Price was/is an inspired teacher, but his teaching life is barely mentioned here. He has displayed legendary courage since his bout with cancer of the spine, and even written a memoir about that experience, but the notes to "a whole new life" are among the shortest in the collection. There's very little here about Price's personal life at any level.

For those who aspire to be received into the "guild" of "serious" writers, the most important questions are ignored, glossed over, left unanswered. How do you fit writing, that most isolated and sacred of occupations, into a daily life, which—unless you're a monk or a hermit—is bound to be made up of imperfect, messy relationships? How do you make a living? How do you live with sickness, distraction, strands, love? None of this seems to greatly bother the author. These questions—or any doubts at all about the quality of his own work—never come up. There's a constant note of serene self-congratulation in these pages. If that's what you're looking for, you'll want to read this.

Carolyn See reviews books for The Washington Post.

BRIDGE

By Alan Truscott

It is a sad fact that there are relatively few significant writers of bridge books in the United States. Books pour in from other countries, and any of these recent publications would be suitable Christmas present for a serious player.

"Practical Slam Bidding" by Ron Klinger of Australia offers challenges from 120 slam situations at world championships. See if you do better than the stars: Victor Gollancz, London, \$13.95.

"Easier Done Than Said" by Prakash Paranjape of India. An advanced treatment of situations in which brilliance is at the bridge table. Masterpoint Press, Toronto, \$12.95.

These are all available from The Bridge World Magazine, at (800) 599-0033. Shipping and handling are \$3.95 for any number of books.

The diagrammed deal from "Easier Done Than Said" features a brilliant effort by Ashok Rua, who held the East cards. His opponents reached a slightly optimistic six-notrump contract. Three diamonds was no doubt a version of "new minor," forcing, and thus artificial, while South's five-club bid was a response to Roman Keycard Blackwood with hearts the agreed suit.

After a diamond lead, South could be sure of only nine tricks and had prospects in spades, hearts and clubs. He had to do something with the spade suit, and he was due to be lucky. When the jack

falls under the ace, his best chance is to duck on the next round. When the king appears, he has 12 tricks.

But South was unlucky because Rua dropped the spade king under the ace, apparently a singleton. The declarer now assumed that he could make a total of three spade tricks, including a finesse, two hearts, three diamonds and three clubs: one short of his requirement. He began by leading to the heart ace and continuing with the nine, intending to duck. But East covered with the queen, and the king won.

A heart was surrendered to the jack, and East returned a diamond. South took all the winners in his own hand, coming down to a two-card ending. After looking suspi-

ciously at Rua, he finessed the spade 10 and went down two. And it is hard to blame him.

NORTH
♦ Q J 8 7 2
Q A 9 3
Q 10 9
♦ A K 5

WEST
♦ 9 8 6 5
Q 7 2
Q 8 7 6 5
♦ 8 6

EAST
♦ K J 10 9
Q Q 8 6 5
♦ J 4 2
♦ J 10 9 3

SOUTH (D)
♦ A 4
Q X 10 8 4
♦ A K Q
♦ Q 7 4 2

Both sides were vulnerable. The bidding:
South West North East
Pass Pass 1 ♠ Pass
2 N.T. Pass 3 ♠ Pass
3 ♠ Pass 4 N.T. Pass
5 ♠ Pass 6 N.T. Pass
Pass Pass West led the diamond eight.

New York Times Service

LONDON — The British Arts Council has announced that it will increase its subsidy to the struggling Royal Opera House by more than \$21 million over the next three years, a move the opera said would allow it to reinstate a portion of its canceled 1999 season and to charge less for tickets when it returns to its refurbished headquarters next December.

The Royal Opera, which also presents ballet and other works, will use the money for 10 performances of "Paul Bunyan" at the Sadler's Wells Theatre in April. It will

also put on a short series of concerts at the Royal Festival Hall in May and June, and hold a concert at the Barbican with Plácido Domingo on April 25.

Meanwhile, the Royal Ballet will perform four-week summer season at Sadler's Wells in July and will embark on its planned trip to Asia in the spring.

The news of the increased funds also spurred Bernard Haitink, music director of the Royal Opera, to withdraw his threat to resign. Several months ago, Haitink said that he could not remain in the job if the cash-starved opera went ahead with plans to cancel the 1999 season. But on

Thursday, he said, "I am pleased to remain music director of the Royal Opera House and look forward to opening what will be a wonderful new theater."

In increasing the grant to \$26.4 million from \$23.8 million for the 1999 season—and promising a further increase, to \$33 million, in each of the next two years—the Arts Council, the government-financed agency that dispenses money to cultural organizations, was expressing its view that after years of mismanagement and financial insipid, the opera house had finally begun to put itself in order.

LANGUAGE

Waltzing Into the Moral Hazard

By William Safire

WASHINGTON — Sometimes a financial phrase kicks around the news, and we all act as if we understand it.

Did we bail out Mexico, and will we now rescue financially distressed Brazil and Russia? Watch out for the moral hazard.

Makes sense: whenever a disc in my bank starts to crumble, I greedily demand an MRI; if I weren't insured, I'd go for a cheaper X-ray. "It came back to me," notes Arrow, "that the insurance industry had already recognized this problem and had used the term *moral hazard* for it. The simplest example is turning down one's house to collect insurance, an act that might clearly be regarded as immoral—less immoral if one had been slightly less careful in putting candles out."

The Wall Street Journal describes it as "the distortions introduced by the prospect of not having to pay for your sins." Bengt Holmstrom, a professor of economics at MIT, defines it as "dysfunctional acts induced by a contract or law. If you have a contract with me that says heads you win, tails I lose, this type of a contract can induce you to take on inordinate amounts of risk."

Burton Malkiel, professor of economics at Princeton, agrees it involves "cases where the existence of risk insurance alters the behavior of the insured toward taking more risk." Because depositors in savings-and-loans were insured by the government, the owners were induced to roll the dice on investments in the 1980s; heads the savings-and-loan lenders won, tails the government lost.

The phrase, which you can now astound your friends by readily defining, was born in the insurance industry early in this century. It was extended by Kenneth Arrow, the Nobel laureate in economics, in a 1962 essay journal and popularized in his 1971 book, "Essays in the Theory of Risk-Bearing." Arrow was asked by the Ford Foundation for a theorist's impression of the economics of medical care. Here's the story straight from the Arrow, now at Stanford:

When the independent counsel Ken Starr went before the House Judiciary Committee, he complained that "a number of my prosecutors are being

New York Times Service

State Rides to Rescue of the British Opera (Again)

LONDON — The British Arts Council has announced that it will increase its subsidy to the struggling Royal Opera House by more than \$21 million over the next three years, a move the opera said would allow it to reinstate a portion of its canceled 1999 season and to charge less for tickets when it returns to its refurbished headquarters next December.

The Royal Opera, which also presents ballet and other works, will use the money for 10 performances of "Paul Bunyan" at the Sadler's Wells Theatre in April. It will

A man who's been doing the impossible for half a century.



* Chung's cattle ultimately did not cross U.S.-China Ping-Pong diplomacy as a major diplomatic issue. (Associated Press)

* The high-profile case drew renewed attention to the bitter history of tensions between the two nations. (AP Wirephoto)

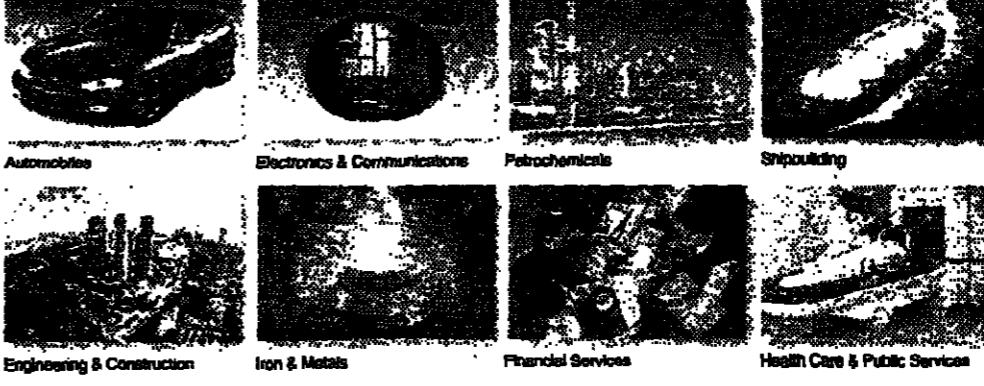
* The last shuttle since World War II to make that crossing visited a government agency. (AP Wirephoto)

* China will leave the breeding ground for negotiations and peace between North and South Korea. (AP Wirephoto)

* Mr. Chung journey is not a one-sided race. He's hoping to renew several business projects at the North. (AP Wirephoto)

Imagine crossing a border that's been closed for 48 years. Then imagine doing it with 1,001 head of cattle. Achieving the "impossible" is nothing new for Chung Ju-yung, the 83-year-old founder and honorary chairman of Korea's Hyundai Business Group. This is the same man who literally brought the sea to its knees, reclaiming land on Korea's west coast with a large tanker destined for scrap. And the one who ingeniously used a small fleet of barges to transport prefabricated components nearly halfway around the world 19 times to build Jubail Harbor in Saudi Arabia, one of the construction wonders of the 20th century. In these and countless other projects over the past half-century, Chung found a way where others said it couldn't be done.

As Hyundai looks toward the future, we share Chung's spirit—an unwavering drive and ambition that has made us what we are today. And what will propel us into the ranks of the world's industrial leaders in the new millennium.



HYUNDAI

HEALTH/SCIENCE

A Puzzling Breast Ailment

Condition Causes Pain, and Needless Fear

By Judy Mandell
Washington Post Service

WASHINGTON — Beth Price's gynecologist discovered her first breast lump during a routine examination. She was just 26 years old and the doctor immediately referred her to a general surgeon. "He scared me to death," Ms. Price said. "I was sure I had cancer." It was the summer of 1971. The next morning she went to a surgeon, who found a lump in her other breast as well.

"This surgeon was even more alarming than my gynecologist," Ms. Price said. He explained that her condition was very serious; that she was too young to have lumps, that they might be malignant and that she needed to have them excised and biopsied right away. "If this is cancer at your young age, it could be highly malignant and very aggressive," he warned.

Ms. Price had both lumps surgically removed two days later. The pathology report came back with good news: The lumps were benign.

Now 52, Ms. Price, a clinical nurse specialist, has suffered with painful, lumpy breasts ever since. She has had four fluid-filled cysts in her breasts aspirated and three other lumps removed surgically. None were cancerous. Her doctor has told her that she has a benign condition known as fibrocystic breast disease. But that is a controversial diagnosis. Many doctors argue that since 60 percent of all women in the United States have the condition in some form, it should not be called a disease. The term frightens many women, who erroneously believe they are at increased risk for breast cancer.

"Fibrocystic changes are normal for most women," said Richard Santen, associate director for clinical research at the cancer center of the University of Virginia Health Sciences Center in Charlottesville. But "when discrete lumps or moderate pain occurs" in conjunction with those changes, women and their doctors should take note, Dr. Santen said. "Recurrent lumps and severe pain are beyond what could be considered normal."

Sandra Swain, an oncologist in Washington, disagrees. "The condition is a variant from normal," she said. "It's normal to have lumps. It's normal to have breast changes with your menses. The term fibrocystic disease or benign breast disease scares many women. They think they're going to get cancer."

Symptoms of these benign growths include breast pain or tenderness, increased fibrous tissue in the breast, multiple lumps and discharge of liquids from the nipple.

The growths or lumps can occur in several ways. In some cases the ducts in the breast that allow milk to flow into the nipple during lactation become partially blocked, fill up with

fluid and form cysts. In other patients, solid lumps form from fibrous and glandular tissue.

No one knows what causes these lumps, but most experts believe they are linked to hormonal imbalances. The pain and lumps from these benign breast growths usually increase during the middle of the menstrual cycle and diminish or disappear a week after the period ends, say doctors who treat the problem. Symptoms generally crescendo in the perimenopausal years, when women experience huge hormonal fluctuations, and then subside at menopause. Estrogen replacement therapy often causes symptoms to return.

For most women, fibrocystic disease is a chronic condition that experts say does not put women at greater risk of cancer. At the same time, extensive lumpiness can occasionally mask or make it more difficult to detect a malignancy. Therefore these patients must monitor their breast lumps carefully. It is difficult for many women with fibrocystic breasts to know if a lump is new and different and possibly cancerous.

"Lumps from cystic disease are often tender and fluctuate during the month," said Robert Warren, director of the Betty Lou Ourisman Breast Health Center at Georgetown University Medical Center. "Let's say you're examining your breasts and you feel a discrete, marble-like lump and it's tender. If a week to 10 days later you can barely feel the lump or if it is no longer painful, it's likely to be cystic disease. Cystic lumps tend to be rounder, more discrete, and they wax and wane. A malignant tumor is often not as distinct. It may be more infiltrating—you can't get your fingers around it. If it doesn't improve or go away after two to three weeks, it may be a more serious condition and you should consult your physician."

"Most breast lumps are not cancer, but if there is any question, it should be checked," said Jennifer Harvey, a radiologist and director of breast imaging at the University of Virginia Health Sciences Center.

DR. HARVEY uses both mammography and ultrasound to diagnose breast lumps. "We usually can't tell whether a mass is benign with just a mammogram," she said. The ultrasound can help differentiate a cyst from a solid tumor, she said. It also helps her characterize benign or malignant features of a solid mass.

While the exact cause of fibrocystic breast disease is not known, some experts believe it may be linked to caffeine consumption. Doctors often tell patients that limiting caffeine may help reduce the symptoms. "Are we sure this works?" Dr. Santen asked. "No, but the pain goes away completely in many women who stop caffeine." He also said that many physicians recommend vitamin E supplements, although clinical studies have shown mixed results and are not definite on the benefits.



Amelia Earhart checking out her Lockheed Electra in 1937, months before flying off into American folklore.

A Note Rekindles Earhart Fever

By Malcolm W. Browne
New York Times Service

NEW YORK — Sixty-one years after Amelia Earhart's plane disappeared over the Pacific Ocean while the celebrated aviator was trying to fly around the world, people still clamor for hints about her fate and, once again, something has turned up to whet their appetites.

The latest trail of detective work, conducted by volunteers from the International Group for Historic Aircraft Recovery, based in Delaware, has led to an official document in London describing a lost collection of weather-beaten bone fragments.

The bones themselves have vanished but are known to have been found in 1940 by a British colonial official visiting Nikumaroro Island (then called Gardner Island), an uninhabited atoll in the Phoenix group, about 600 miles (960 kilometers) north of Samoa and about 400 miles southeast of Howland Island—the destination she never reached.

Chances that the Earhart mystery is nearing solution seem remote, however. Most experts still believe that Earhart and her navigator, Fred Noonan, simply crashed into the Pacific about midway between Australia and Hawaii.

This view is shared by Earhart's niece, Amy Kleppner, a 11th-grade teacher in Maryland.

"I've read everything written and reported about my aunt," Mrs. Kleppner said in an interview, "and I'm convinced that she and Fred simply ran out of gas within 100 miles of their destination, Howland Island. No one has produced credible evidence that their plane crashed on any of the Phoenix Islands, or that they died of starvation, or that they were captured, tortured and killed by the Japanese on Saipan, or any of the other theories. The simplest explanation is the most likely."

But a British doctor, D.W. Hoodless of the Central Medical School in Suva, Fiji, measured them in 1941 before they disappeared, and members of the aircraft recovery group found the late doctor's record of his measurements last year while searching government archives in London.

Two forensic anthropologists, Karen Ramey Burns of the University of North Carolina and Richard Jantz of the University of Tennessee, compared Hoodless' 57-year-old measurements with a large data base compiled from thousands of skeletons and widely used by forensic osteologists. A similar forensic technique is used to identify the bones of crime victims.

They concluded in a report presented at a meeting of the American Anthropological Association that because of Hoodless' proficiency as an anatomist and his measuring technique, his records had to be "treated with caution."

But if his measurements were accurate, they said, the subject was more likely to be a woman than a man, a European rather than a Polynesian, and between 5 feet 6 inches and 5 feet 7 inches tall.

In previous years, Richard

Gillespie, executive director of the international recovery group, has recovered fragments from Nikumaroro of a shoe and a Cat's Paw replacement heel of 1930 vintage, which he says resembles one shown in a photograph of Earhart a few days before she disappeared.

Mrs. Kleppner said she would not decide whether or not to make her own DNA available for matching until and unless suspected bones of her aunt were found.

Tom Crouch, senior curator of the Smithsonian Institution's Air and Space Museum, said: "The statistical analysis of those old measurements by Dr. Hoodless is the most interesting thing the Tighe group has done. But there is not a shred of evidence linking anything on Nikumaroro with Amelia Earhart. The shoe fragments are two sizes larger than anything Earhart wore. The odds are 100 to 1 that Amelia and Fred came to rest on the ocean floor."

Meanwhile, a fisherman's discovery in the Mediterranean Sea of a silver bracelet has touched off another search. The bracelet, pulled up in a net 20 miles from Marseilles in September, was identified as that of Antoine de Saint-Exupéry, author of "The Little Prince" and some memorable aviation novels. Saint-Exupéry disappeared in 1944 while piloting a P-38 Lightning fighter on a reconnaissance mission against German forces. So far, a search of the sea near Marseilles has failed to find wreckage from the crash.

"I can understand the interest of many people in famous aviators like my aunt who disappeared mysteriously," Mrs. Kleppner said. "I was just a child of 5 when I last saw her and have very little recollection of her. But there were others who were never found, and it's natural to wonder how they died."

Among them were the war hero Charles Nungesser and François Coli who disappeared in 1927 trying to be the first to cross the Atlantic Ocean, and at least four others who defied the Atlantic about the same time. In 1928, the great Polar explorer Roald Amundsen disappeared while aboard a seaplane in the Arctic Ocean searching for survivors of the crashed airship Italia.

"Searches for the traces of people like them are exciting, even if fruitless," said Mrs. Kleppner.

Unraveling Evolution's Mysteries

By Natalie Angier
New York Times Service

NEW YORK — Nature is like Henny Youngman: She writes great jokes, and flogs them again and again. Take the spiny anteater of Australia, the pangolin of Africa and the giant anteater of Latin America (please!). Each of these mammals has a long, sticky, worm-like tongue, no teeth to speak of and scimitar claws. . . . Each has bulging salivary glands, a stomach as rugged as a cement mixer and an absurd, extenuated, hairless snout that looks like a cross between a hot dog and a swizzle stick. Despite their remarkable resemblances, the three creatures are wildly unrelated to one another: the spiny anteater, in fact, lays eggs and is a close cousin of the duck-billed platypus. What has yoked them into morphological similitude is a powerful and boundlessly enticing process called evolutionary convergence.

By the tenet of convergence, there

really is a best approach and an ideal set of tools for grappling with life's most demanding jobs.

But the tenet of convergence, there really is a best approach and an ideal set of tools for grappling with life's most demanding jobs.

On the other hand, when you look at the broad structure of the history of life, you can't help but be impressed by the number of organisms that began at different starting points and have come together—the whale that looks like a fish, an extinct marsupial, a sort of kangaroo, that looked like a saber-toothed cat. The world is rich and wonderful place, but it is not one of untrammeled possibilities.

The relative degree to which the world's fauna and flora have been shaped either by contingency or by the slow hand of natural selection, as expressed most starkly in cases of convergent evolution, remains unclear.

What is clear is that the more scientists look, the more examples of convergence they find. Sometimes the reasons for a particular convergence are easy to parse. Consider the shared traits of the world's manifold anteaters. Ants are tiny and must be consumed en masse, said Kent Redford of the Wildlife Conservation Society in the Bronx, who has studied anteating mammals—hence the need for a long sticky tongue to lap up hundreds at a pop, and enlarged salivary glands to help keep the tongue gummy and to wash the ants down.

For moving that long tongue in and out rapidly, a mizze improves the aim. And it is best for the snout to be hairless, to make sure that the pincer ants and termites have nothing to grab onto. Ants live in soil and sand, which requires powerful claws for digging. There is need of a digestive system that can readily pass the sand and dirt lapped up with each tongueful of food, and that can metabolize the blistering chemicals derived with which ants and termites are loaded. Finally, sand grinds down enamel, so teeth can be dispensed with altogether.

"It's a pretty weird bioplano," Mr. Redford said, "but it works." And the ultimate proof is sitting on his desk, in the form of a newly issued Beanie Baby toy with a telltale tubular schnozz. "Even the Beanie Baby phylogeny now has an anteater in it."

Equally piquant are some of the recent discoveries of molecular convergence.

Kenneth Roux, a structural biologist at Florida State University in Tallahassee,

and his colleagues recently described in the Proceedings of the National Academy of Sciences we see today are here by dint of a series of accidents—an asteroid that pelted the Earth, for example, thereby eliminating the dinosaurs and making way for the rise of mammals.

my of Sciences a baffling similarity between certain antibody proteins in camels — the group that includes camels and llamas — and nurse sharks.

Throughout most of the animal kingdom, the antibodies of the immune system are built of two types of chains — heavy and light — and each chain is composed of three loops. Together the triple-looped heavy and light chains allow an antibody to attach to a foreign object like a virus and begin the process of destroying the enemy. But in camels and nurse sharks, a subset of antibodies have lost their light chains: All three loops are missing, and only the three loops of the heavy chains remain.

The scientists cannot say why the loss occurred in the first place, whether by accident or by unfathomable selective design. In any event, the antibodies of the camels and the nurse sharks responded to the change in cognate ways.

To compensate for their absence of light chains, both animals expanded the size of one of the loops in their heavy chains. Remarkably, it is the same loop that has been lengthened in both the camel and the nurse shark antibodies.

The unorthodox antibodies of the sharks and camels may look and act alike, but the genetic subunits that encode the proteins are decidedly

similar from one another—that is, they have different amino acid sequences. Many combinations of amino acids can be strung together to construct proteins that behave in nearly identical ways. For statistical reasons, though, said Russell Doolittle, a molecular evolutionist at the University of California at San Diego, true sequence convergence — where two independently evolved proteins not only perform the same task but have the same underlying building blocks — is likely to be extremely rare.

BUT odds, like hearts and eggs, are made to be broken, and so scientists recently announced

what they think is the first illustration of bona fide sequence convergence. Chi-Hing Cheng of the University of Illinois at Urbana-Champaign and her co-workers reported in the Proceedings of the National Academy of Sciences on their analysis of antifreeze proteins found in two groups of fish: the notothenioids of the Antarctic and the Northern cod of the Arctic.

The proteins help keep a fish's blood from freezing while it swims through frigid waters by binding onto a bit of ingested icicle and preventing the ice crystal from growing larger. A number of cold-water dwelling creatures have versions of antifreeze proteins, and the sequences of these proteins are, as a rule, all over the map. But in the case of the cod and the notothenioids, the antifreeze molecules retain their resemblances down to their cores. They consist of the same three amino acids — threonine, alanine and proline — repeated over and over.

Dr. Cheng and her colleagues demonstrated that the proteins arrived at their analogous sequences during entirely independent episodes of genetic shuffling.

The notothenioid protein arose about 7 million to 15 million years ago, when Antarctic oceans were chilling to freezing, while the cod version probably evolved about 3 million years ago, during the glaciation of the Arctic seas.

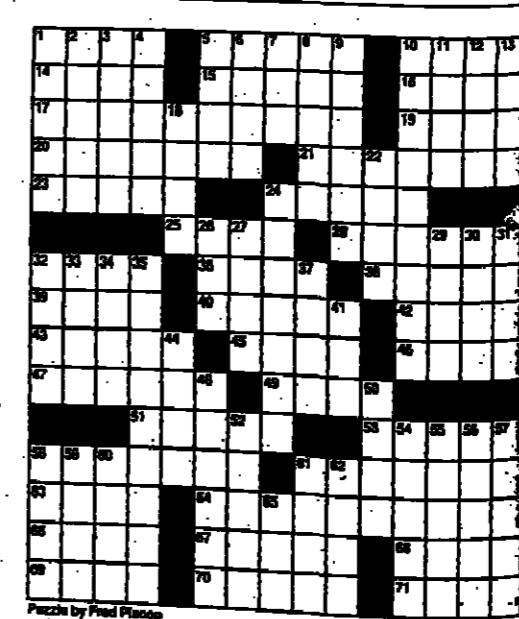
The simplicity of the protein sequence, Dr. Cheng said, explains how it was possible for it to have arisen on two separate occasions. And the cod can be thankful that nature, at least, does not believe in copyrights.

Solution to Puzzle of Dec. 18

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CROSSWORD

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International
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in The Intermarket

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded
during week ended Friday, December 18

Sales Div Yld 100s High Low Clos Chgs

Stocks Div Yld 100s High Low Clos Chgs

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A-F-G

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ABG		200.20	198.75	197.25	197.00	-0.25	ABH		100.00	99.50	99.00	99.00	-0.50	ABJ		100.00	99.50	99.00	99.00	-0.50	ABK		100.00	99.50	99.00	99.00	-0.50
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MONDAY, DECEMBER 21, 1998

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PAL Hopes For Miracle To Survive

Airline's Predicament Tests Manila's Reforms

By Mark Landler
New York Times Service

MANILA — Christmas is a sacred holiday in the Philippines, and nowhere is that more evident than at the headquarters of Philippine Airlines. Religious statues adorn executive offices, and signs throughout the building announce a holiday Mass in the main lobby.

In these dark days, when its frazzled executives are struggling to keep the airline afloat, a Mass seems entirely appropriate. One cannot help thinking that what the airline needs is divine intervention.

With \$2.2 billion in debt, plunging revenues, and losses of close to \$1 million a day, Asia's oldest airline, known as PAL, is in desperate shape. After negotiations for Cathay Pacific Airways to acquire it stalled this month, several analysts said the airline's options were running out.

"The rescue effort is not just huge, it is astronomical," said Nicholas Bonides, a Singapore-based editor of Air Transport Intelligence, a news agency that covers the industry. "The question is, do you keep an airline like this alive for pride reasons? My opinion is that they should just shut it down."

But Philippine Airlines is not just another shipwreck of a company. It is the nation's flag carrier, a state company until after the ouster of Ferdinand Marcos, when it was spun off to a group of investors led by Lucio Tan, an ethnic Chinese who traded on his ties with Mr. Marcos to amass one of the greatest fortunes in the Philippines. The airline is the crown jewel in Mr. Tan's empire.

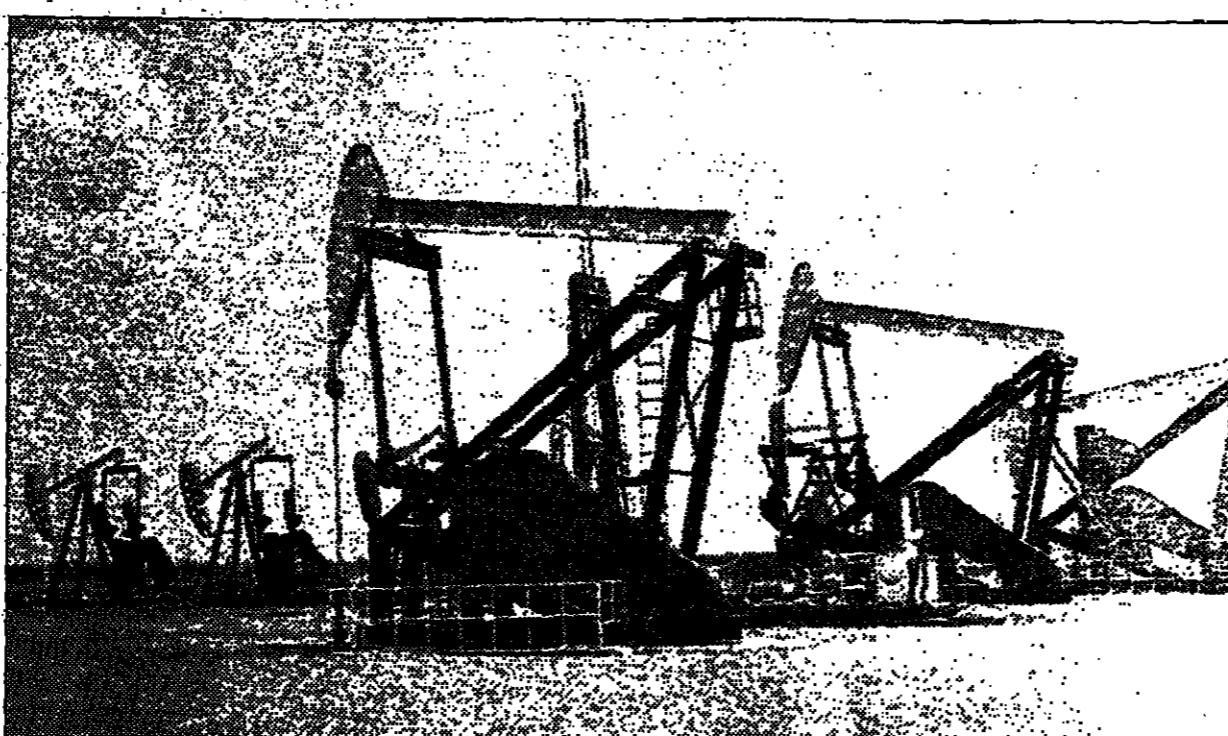
Mr. Tan is a leading supporter of the new president of the Philippines, Joseph Estrada, not only contributing to his campaign but giving him the use of his planes. When a labor dispute prompted Mr. Tan to shut down the 57-year-old airline in September, provoking tears from nostalgic Filipinos, it was Mr. Estrada who brokered an agreement that got the planes flying again.

"For Estrada, it's a mark of political prestige to save the airline, and Lucio Tan knows it," said Alexander Magno, president of the Foundation for Economic Freedom, a research organization in Manila.

In the murky world of Asian business, where friendships often count more than solvency, Philippine Airlines would seem to be the classic candidate for a government bailout. The catch is that Mr. Estrada, wanting foreign investors to view the Philippines as having a level playing field, has ruled out injecting any public money.

As the losses pile up, though, Phil-

See AIRLINE, Page 15



Pumps working in an oil field in Maturin, Venezuela, one of the countries hurt by the sharp drop in oil prices.

A Sea Change in World Oil Markets

New Technology and Fresh Supplies Help to Put Consumers on Top

By Steven Mufson
Washington Post Service

WASHINGTON — Some critics of the Gulf War eight years ago said it was all about oil, not principle. If crude oil had been under Rwanda or Bosnia, they said, American troops would have gone to Rwanda or Bosnia instead.

Last week, however, even cynics would be hard pressed to say the American and British bombardments of Iraq were about oil. The world is awash in excess oil inventories, new oil fields are being brought on line, and new technologies are shaving production costs and softening world demand. In the world of oil, Iraq has become a sideshow.

One measure of the sea change in oil markets has been their relative calm amid the hostilities last week. Eight years ago, as forces gathered in the Gulf, oil prices briefly spiked up to \$41 a barrel. Economists wrung their hands over the collateral damage that would be done to economic growth, and the threat of increased inflation.

Last week, by contrast, as the first few hundred cruise missiles pounded Iraq and warplanes scrambled over the world's richest oil basins, markets slumped.

The price for West Texas Intermediate crude oil crept up slightly early in the week before sinking back to \$10.99 a barrel on Friday, close to its 12-year low. Adjusted for inflation, oil prices now rival the low levels of the Great Depression.

"If non-Iraqi oil producers can't bring themselves to cut output, we can have continued downward pressure on prices," said Alan Levenson, chief economist for T. Rowe Price Associates Inc. "So the war won't have much effect."

The low price of oil has given the U.S. economy a powerful boost, economists say. "For oil-consuming countries, it's a tax cut," Mr. Levenson said. "It keeps inflation low, and it helps keep interest rates low."

A report this month by Salomon Smith Barney estimated that over the year ended in September, lower oil prices had transferred \$30 billion from foreign oil producers to U.S. consumers.

Low oil prices help keep prices in check, not only at gasoline pumps and heating tanks but also in the prices of a wide range of other products. Petroleum makes up 5 percent of the cost of nylon, a quarter of the cost of many plastic bags, and half the cost of certain fertilizers. The manufacture of glass, cement and steel all consume large amounts of energy.

But for oil-producing countries, the low price of oil has played havoc with government revenue and economic output.

Sagging oil revenue played a key role in the collapse of the Russian economy. When combined with low tax-collection rates on individuals and businesses, the drop in oil export revenue made it impossible for the Russian government to meet its debt obligations and forced a moratorium in August.

In Norway, the government's net cash income from oil will drop to little more than half its original projections for this year, sharply reducing the amount available for investment in a government reserve fund that is supposed to pay for pensions when baby boomers retire.

In Mexico, which exports half its oil production, falling oil prices have hurt export revenue, robbed the government of income and shrunk a key economic sector. Oil export revenue, which was 75 percent of exports in 1982, is projected to shrink to 6 percent of export revenue this year, according to World Bank figures.

A part of that change reflects the rise of new export industries, but much of it reflects the slide in oil prices. The av-

erage oil price in the first half of this year, to below \$7 a barrel during the first two weeks of December. As a result, overall oil export revenue will dwindle to \$7.3 billion in 1998, from \$11.3 billion last year, the World Bank says.

In 1997, 38 percent of Mexican public-sector revenue came from the oil industry. This year only 32 percent of public-sector revenue will come from oil. To head off a sharp increase in the budget deficit, the government has im-

proved OIL, Page 15

tures — the overall budget minus debt-servicing costs and tax allocations to local governments — are proposed to rise 5.3 percent to 46.89 trillion yen with public-works spending going up more than 10 percent.

Mr. Miyazawa said the budget proposal reflected his ministry's resolution to "take the lead for an economic recovery." He said the Finance Ministry was "resolved to put the economy on the recovery path."

To pay for spending in the budget, the government will next year sell a record 71.13 trillion yen in bonds, including 31 trillion yen in new bonds, the Finance Ministry said.

The 0.5 percent growth forecast for the year to March 31, 2000, is the lowest on record.

Trade Minister Kaoru Yosano, who had insisted the growth target for the next fiscal year should be 1 percent, said the economic management should "aim at a bit higher point although the government estimate is 0.5 percent."

But Chief Cabinet Secretary Hiromu Nonaka emphasized it was more important to achieve a target rather than to put forward an ambitious goal.

"The responsibility imposed on us now is to attain a figure fully and then make efforts to have that figure head higher," Mr. Nonaka said.

Private research groups in Japan have forecast that the economy will shrink an average 2.3 percent in the year ending in March, and shrink 0.6 percent in the following fiscal year.

Consumer spending will probably recover next year as tax cuts boost the disposable income of households, Mr.

guarantees to try to stimulate the economy. But the spending packages have not been sufficient to offset declines in consumer and corporate spending.

Mr. Miyazawa said Sunday that Japan would introduce a record 81.86 trillion yen budget for the year starting April 1. The spending plan, to be presented to the legislature on Monday, calls for increased spending on economic stimulus.

The budget represents a 5.4 percent increase from the initial budget for the current fiscal year. General expendi-

ture measures to support the banking system begin to take effect, Mr. Sakaiya said. Japan's banking system is weighed down by 72 trillion yen in risky loans.

Consumers are also ready to replace old cars, furniture and electrical equipment after cutting back on spending for the past two years, Mr. Sakaiya, the country's chief economic planner, said.

A rise in home sales would also boost consumer spending. The government is giving tax incentives to people who buy new homes or to homeowners who move.

(AP, Bloomberg)



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TELEVISION

CYBERSCAPE

The 'Portal' War Rages on the Internet

By Leslie Walker
Washington Post Service

WASHINGTON — Most people still see Yahoo! Inc., Lycos Inc. and the other Internet "portals" as glorified search engines, despite the more than \$1 billion they have spent adding fancy services this year.

"But it is better to see them as the ABC, NBC and CBS of cyberspace," said Harry Motro, chief executive of Infoseek Corp., Disney's partner in the Go Network.

The parallels start with the ratings war. Yahoo! and America Online Inc. are pulling away from the pack, each drawing the eyeballs of nearly half the 62 million-strong wired world. Mi-

crosoft Corp. and the Lycos Network are neck-in-neck for No. 3, but Walt Disney Co. is taking aim at that slot, too, with its preview release of the Go Network last week.

Even more similar are the business strategies. Like an ABC or CBS, a Web guide seeks to distribute "programming" — whether it is search results, shopping opportunities or news — on a global basis. It fights for ads and audience loyalty.

"We are going after the mass market," says Harry Motro, chief executive of Infoseek Corp., Disney's partner in the Go Network.

As the Web guides buy up independently owned sites and link them to their own

services and content "channels," they are reshaping the ways in which we move around, interact with and perceive the Internet's ocean of information. They are also consolidating market power into a handful of players, creating what could become the new media empires of the 21st century.

It is a lot like the 1920s, when the nation was wringing its hands about how the new medium called radio — then a patchwork of struggling, independently owned stations — would pay for itself.

AT&T Corp. tested the world's first "chain-broadcasting" network in 1923 by stringing together three radio stations and simultaneously piping programs to New York, Rhode Island and Massachusetts. The benefit was to lower program production costs by spreading them across many stations, an innovation that gave rise to mass audiences and mass advertising.

Of course, there is no single mass audience — it is actually a grouping of smaller ones. Radio stations realized this early on, and began different types of shows for different types of listeners. The Web by its nature is dramatically more open to the kind of market segmentation that occurred first in radio and was accelerated by cable television.

The big Web gateways like Yahoo! have simple front doors, but behind them they are stringing together microsites with specialized material to amass an audience big enough to attract advertisers.

Yahoo! and Excite Inc. have opted against giving their many sites different names, believing that surfers are confused enough with all the variety out there and need the unifying influence of a single brand. Go to a Yahoo!

owned site and you know exactly who runs it.

Lycos believes the opposite. It is building a collection of separately branded sites appealing to different groups of people.

Lycos soared in the audience "reach" ratings this summer by purchasing a string of sites that were growing organically, by word-of-mouth, and then allowed each site to preserve its original name. Even though Lycos had its own patented search engine, it bought another one, HotBot. It also purchased two "homesteading" sites — Tripod and Angelfire, virtual communities that offer free tools to build home pages and private meeting places.

Last week, Lycos announced a "network affiliate" program. Lycos will license programming — in this case six software tools, such as e-mail, chat and home-page builders — to smaller sites in return for the right to sell ads and share in the revenue.

Lycos is also believed in new-media synergy, bringing the Internet's powers to bear for cross-promotion — the use of one wing of the family to draw business to another. Web guides do this by placing links between their disparate sites, so that people might never leave the closed world defined by the service, zipping instead from site to site within it.

Off-line, Disney is the King of Synergy. And it plans to combine on-line and off-line promotion in ways no other Internet player can.

"It's going to be a brand war over the next three years, and it will not be for the meek," Mr. Motro says.

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CAPITAL MARKETS ON MONDAY

Saudi Arabia

Wall Street Likely to Shrug Off Washington CrisisBy Gretchen Morgenson
New York Times Service

NEW YORK — Will President Bill Clinton's constitutional travails derail the U.S. stock market freight train in the weeks ahead?

It is more than a passing question, given that America's most recent experience with the presidential impeachment process coincided with a blistering bear market in stocks. In 1974, the year Richard Nixon resigned, the Dow Jones industrial average fell 28 percent.

Not to worry, market strategists say. Stocks are unlikely to plunge this time around, whatever the outcome of the impeachment process.

For the markets, "impeachment is a wholly nonexistent," said James Paulsen, chief investment officer of Norwest Investment Management in Minneapolis. Even if Mr. Clinton were ultimately to

leave office, the markets know that Vice President Al Gore would be a virtual clone on policy. So the uncertainty that the market hates is not an issue today.

Furthermore, the dark moods of the market and the economy at the time of Mr. Nixon's departure are missing now. In 1974, the nation faced rising interest rates and inflation, surging oil prices and a decline in the money supply. The situation now is the opposite.

A better comparison might be to the economy and markets during the impeachment of President Andrew Johnson in 1868, says Richard Sylla, a professor of financial history at New York University's Stern School of Business. The economy was strong, thanks to the railroad boom. Interest rates were falling, wages were rising and deflation was everywhere — trends similar to today's.

Mr. Johnson's woes began in earnest in late December 1867, but radical Re-

publicans were unable to muster an impeachment vote in the House then. On their next try, on Feb. 24, 1868, they succeeded, by a vote of 126 to 47. Mr. Johnson's trial began in the Senate on March 13; it ended in late May, when he retained the presidency by a single vote.

The stock market watched it all with equanimity — the market ended 1968 up 19 percent.

Not that constitutional crises are good for stocks. But what is bad about them is something of an intangible, Mr. Paulsen of Norwest Investment Management said. It is the lost opportunity to govern — these days, for example, to tackle the question of what to do with a federal budget surplus of almost \$100 billion.

It wouldn't take a long trial in the Senate to sap the White House of initiative, said Charles Gabriel Jr., senior Washington analyst for Prudential Securities in Arlington, Virginia. Still, he

said, the risks were "hardly on the scale that should impact investors' collective psyche on a sustained basis."

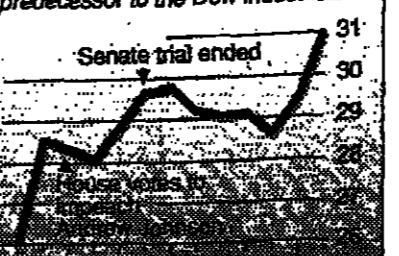
If Mr. Clinton were unable to shape the debate, prospects for certain industries may brighten, Mr. Gabriel said. For example, shares of tobacco companies and health maintenance organizations, two industries on Mr. Clinton's hit list, could benefit if he is distracted.

It is proof again that in Wall Street's eyes, there is a silver lining in even the most ominous cloud.

■ Markets to Focus on Companies

The Dow Jones industrial average and the broader Standard & Poor's 500 index gained ground last week after several companies predicted strong earnings, and investors are expected to continue to focus on corporate prospects rather than Mr. Clinton's problems, Bloomberg News reported.

'High Crimes,' Higher Stocks
Monthly closes of Cowles Index, a predecessor to the Dow Industrials.



"Impeachment may occupy our attention for the moment," said Gary Campbell, chief investment officer for Commerce Bank, "but that doesn't affect what corporations do from day to day."

Robert Bloom, chief investment officer at Friends Ivory & Sime, said, "What matters is low and declining inflation, rising corporate profits and fiscal policy."

Impeachment Of President Expected to Weigh on Dollar

Bloomberg News

NEW YORK — The dollar is likely to weaken against other major currencies this week as foreign investors liquidate U.S. assets because of the impeachment of President Bill Clinton.

"Holding U.S. assets is risky when you weaken the U.S. presidency," said Doug York, a fund manager at Campbell & Co. The dollar could fall as low as 108 yen and 1.60 Deutsche marks by the end of the year, he said.

It finished in New York on Friday at 1.6650 DM and 1.1630 yen.

Members of the House of Representatives voted Saturday to impeach Mr. Clinton, who is accused of perjury, abuse of power and obstruction of justice in efforts to conceal an affair with a former White House intern, Monica Lewinsky. The U.S. Senate will now hold a trial to determine whether Mr. Clinton should be removed from office.

The impeachment proceedings are bearish for the dollar because many foreign investors are put off by political uncertainty. Some traders are also concerned that a trial will distract the executive and legislative branches, diminish the appeal of financial assets and further damage Mr. Clinton's credibility, making it harder to pass laws.

The dollar also is likely to come under pressure against the German currency as some investors buy mark-denominated assets in the last days before the euro is introduced in January.

"Everyone can see that more and more phones are ringing in restaurants, theaters or even churches," Mr. Bruns said. "The telecommunications market is very, very attractive."

Nokia, the world's biggest mobile phone maker, and other companies involved in the telecommunications business may be among them, said Christopher Bruns, a fund manager at Union Investment in Frankfurt. Nokia Oy gained 194 percent so far this year.

"Everyone can see that more and more phones are ringing in restaurants, theaters or even churches," Mr. Bruns said. "The telecommunications market is very, very attractive."

Nokia was outpaced by Olivetti SpA, the former Italian computer maker that has moved into telecommunications, and Colt Telecom Group PLC, a British telecommunications company that focuses solely on corporate clients. Olivetti has soared 411 percent so far this year, and Colt Telecom has risen 461 percent this year.

"We have been big holders of mobile communications companies," said Miles Berryman, a fund manager at Coutts Co. in London. Technology-related stocks "which gained hard in 1998, will continue to advance in 1999, and the shift from manufacturing to the services side will continue."

Mr. Bruns also has high hopes for Europe's fledgling services industry. "In Europe good service companies don't really exist," he said. "There is a strong trend toward catering and outsourcing."

With U.S. inflation low, real interest rates in the United States remain "attractive" compared with those in Japan and the core of Europe. Real interest rates reflect the return on deposits and bonds when the inflation rate is taken into consideration.

The annual inflation rate in the United States, as reflected by the consumer price index, could fall to as low as 1 percent next year, said John Lipsky, Chase's chief economist.

The bellwether U.S. rate for overnight lending between banks is at 4.75 percent. The benchmark rate in Germany and nine of the other countries adopting the euro is at 3 percent, while Japan's key rate is 0.5 percent.

The Federal Reserve Board's policy-setting Open Market Committee will meet Tuesday, but the recent spate of stronger-than-expected economic indicators convinced traders and investors that the Fed will leave policy unchanged at this meeting. There will be few U.S. economic reports this week because of the Christmas holiday.

"I don't think they have enough votes in the Senate to remove him," said Mark MacQueen, senior vice president and fixed-income portfolio manager at Chase Investment Advisors.

Michael Mullany, a senior portfolio manager at Boston Partners Asset Management said that at the moment, "the market feels it won't go through."

(Bridge News, Market News)

European Stocks on Hold**New Currency to Limit Price Moves in Near Term**

Bloomberg News

BRUSSELS — European stocks are likely to be little changed in the coming days as investors postpone investment decisions on concern that preparations for the introduction of Europe's single currency will disrupt prices.

But stocks may surge in January as demand that has been curtailed during preparations for the euro is released. Nokia Oy of Finland and other telecommunications stocks could be among leaders.

"We could see a very strong move up in the opening months of year," said Mike Young, head of equity strategy at Goldman, Sachs & Co. in London.

"January and February historically have had a strong liquidity surge. That could be exaggerated as a result of euro conversion."

European investor optimism appears unaffected by the impeachment of President Bill Clinton on Saturday by the U.S. House of Representatives, triggering the first Senate trial of a president in 130 years.

Many fund managers have postponed investment decisions until after Jan. 4, when about two-thirds of European stocks will begin trading in Europe's new single currency. Investors "don't want to take on the risk, or problems with settlement," Mr. Young said.

When money managers do start buying in earnest again, stocks that have gained most this year will probably lead

advances, analysts and investors said, most notably telecommunications stocks.

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"But some strategists said the dollar will get support in coming months from

sign that the U.S. economy is expanding with scant inflation, while Japan remains stuck in its worst recession in half a century and European economies fail to recover from slowdowns as quickly as many analysts had hoped.

"The U.S. is in a relatively good position, and Asia probably won't see substantial economic recovery until late next year," said Karen Parker, a strategist at Chase Securities Inc. "Japan is still mired in recession," and some aspects of Europe's recovery are "fragile," she said.

With U.S. inflation low, real interest rates in the United States remain "attractive" compared with those in Japan and the core of Europe. Real interest rates reflect the return on deposits and bonds when the inflation rate is taken into consideration.

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The Federal Reserve Board's policy-setting Open Market Committee will meet for the last time this year on Tuesday, but most analysts expect them to leave interest rates unchanged. The U.S. central bank already reduced its benchmark lending rate three times since September in the face of market turmoil after Russia's default on its debt.

The dollar also continues to be underpinned by tensions in the Middle East.

Airlines Face

Analysts See a Steady Week for Bond Market

Compiled by Our Staff From Dispatches

NEW YORK — Treasury bond prices are expected to be little changed this week, despite the impeachment of President Bill Clinton and lingering tensions in Iraq.

Analysts said investors had already discounted the impeachment vote in the House of Representatives, and now that the United States has stopped bombing Iraq, funds seeking a safe haven are not likely to flood the bond market.

The Federal Reserve Board's policy-setting Open Market Committee will meet Tuesday, but the recent spate of stronger-than-expected economic indicators convinced traders and investors that the Fed will leave policy unchanged at this meeting. There will be few U.S. economic reports this week because of the Christmas holiday.

Ted Ake, co-head of government trading at Eversen Securities in Chicago, said that while some of the current developments should encourage trading,

investors seem determined not to get involved. "With all these things that could move the markets, we can't entice anybody into doing anything," he said.

The yield on the benchmark 30-year bond closed Friday at 5.01 percent, virtually unchanged from 5.02 percent the previous week.

The House's approval of two articles of impeachment means that the matter will now go to the Senate, which will hold a trial on whether to remove Mr. Clinton from office. But most analysts do not expect that to happen.

"I don't think they have enough votes in the Senate to remove him," said Mark MacQueen, senior vice president and fixed-income portfolio manager at Chase Investment Advisors.

Michael Mullany, a senior portfolio manager at Boston Partners Asset Management said that at the moment, "the market feels it won't go through."

(Bridge News, Market News)

New International Bond Issues

Compiled by Paul Floren

Americas Earnings expected: Dean Foods Co., Canariaqua Brands Inc., Cibrian Outpost Inc., ConAgra Inc.

U.S. Dollar 19 Brazil 5/4/99 10/1/00 69,0100 7/24/98

24 Argentina 6/4/99 10/1/00 87,2497 7/31/98

36 Brazil L 6/4/99 10/1/00 61,8375 9/30/98

39 Brazil 5/1/00 10/1/00 52,0000 12/06/98

67 Venezuela 5/9/00 12/1/00 57,4200 9/9/98

73 Argentina 7/2/00 12/1/00 100,0000 12/06/98

73 Argentina 5/4/00 12/1/00 77,4950 7/16/98

78 Mexico 6/4/00 12/1/00 72,0497 8/7/98

79 Brazil 5/6/00 10/1/00 87,5000 10/4/98

91 Tpco Fin 7/5/00 12/1/00 100,0000 12/06/98

102 Venezuela 11/1/00 12/1/00 100,0000 12/06/98

128 Argentina 12/1/00 12/1/00 100,0000 12/06/98

Saudi Arabia Girds for Painful New Budget Cuts

Reuters

Battered by low oil prices, Saudi Arabia, the world's biggest oil exporter, is running out of easy ways to cut spending and is bracing for painful new measures, economists say.

As the government prepares the 1999 budget, there are few signs of a quick recovery in oil markets. Some economists say the budget deficit could rise to 45 billion riyals (\$12 billion) this year, more than double the government's original forecast.

"These economists said the opening of the Saudi economy had moved higher on the agenda with the collapse in the price of oil, by far the government's biggest source of revenue."

"It's making the kingdom think of reform in sectors which are very difficult," said Prajapati Trivedi, resident World Bank economist in Riyadh.

The government has begun restruc-

turing the power industry, plans to raise some electricity prices and is privatizing the telecommunications sector. A senior banker in the kingdom said that spending on defense contracts with non-Saudi entities had been cut by \$2 to \$3 billion — about \$5 billion to \$6 billion — and that more cuts were likely in 1999.

Some economists said that new measures could include raising fuel prices and further privatizations.

"Some of these decisions are tough," said Kevin Taekler, an economist at Saudi American Bank. But he also said they could spur economic growth.

In 1998, the government budgeted spending of 196 billion riyals against revenues of 178 billion riyals, leaving a deficit of 18 billion riyals. Riyadh does not reveal what oil price it uses as a basis for budget calculations. The kingdom has oil output of more than 8 million barrels per day.

Some private economists believe that the 1999 budget may be based on a price of less than \$14 a barrel.

With the price of Brent crude, a London-traded world benchmark, touching \$9.60 in December, some unofficial forecasts said the deficit could hit 45 billion riyals, while other estimates suggest 30 billion riyals.

A Saudi British Bank report said that with a moderate oil price rise next year, which is far from certain, the 1999 deficit could be 32 billion riyals. Mr. Taekler said that refining in spending could reduce the shortfall to 15 billion riyals.

Another economist in Riyadh said that government spending cuts alone would not set the economy on the right road.

"This would be a short-term medicine, but what we need is a long-term operation," said the economist, who spoke on condition of anonymity.

He said the government had already

resorted to some relatively easy options, such as announcing price rises for big electricity consumers while leaving smaller consumers untouched.

The government has little room for maneuver on the budget because wages of government workers make up a large proportion of outlays. Also, any cuts in the generous social welfare benefits would be sensitive, some observers said, because many Saudis see their limited say in political matters as an acceptable trade-off for economic comfort.

"We will do our utmost so as not to overburden our citizens, especially those of limited or medium income," Crown Prince Abdullah ibn Abdulaziz said in November.

But he also told Gulf Arab leaders in December in an unusually frank comment, "We must all get used to a different way of life, which does not stand on total dependence on the state."

Ruhrgas Wins Gazprom Stake With a Bid of \$660 Million

Compiled by Our Staff From Dispatches

the Interfax news agency said.

Mr. Shuvalov said he expected the sale agreement to be signed Monday. Interfax added, Ruhrgas must retain the stake for five years.

The announcement broke a sequence of delays and cancellations in the government's privatization program this year, which has suffered a series of setbacks since the financial crisis started in mid-August.

The authorities have already scaled back plans to sell 5 percent of OAO Gazprom, and have shelved attempts to sell RAO Rosneft, the last major Russian integrated oil firm in state hands, after two auctions failed.

(AFP, Reuters)

OIL: New Technology and Supplies Provide Boon to Consumers

Continued from Page 13

posed a series of emergency spending cuts. As a percentage of the country's gross domestic product, the oil industry will shrink to 6 percent this year, down from 8 percent last year.

Mexico's budget-cutting measures have contrasted with measures taken in Venezuela, where generous public-sector wage increases exacerbated the government budget deficit. The president-elect, Hugo Chavez, who is due to take office in early February, campaigned on populist economic policies that most analysts believe Venezuela cannot afford with current oil prices.

Why has the bottom fallen out of the oil market?

The biggest change has been the growth of crude oil production, from the Caspian basin to West Africa, from California to China.

With the Iron Curtain down, the West now has access to huge supplies in Kazakhstan and Azerbaijan never before available, which rival the Saudi reserves," says a report by Salomon Brothers' research department. The former Gulf Oil operations in Angola, now part of Chevron Corp., produce five times as much oil as they did 10 years ago. Venezuela has brought on heavy oil production.

New technology has made exploration cheaper and has opened up new frontiers.

The industry has reduced the cost of producing oil by 50 cents to \$1 a year for the past 10 years," says Moody-Stuart, chairman of the Royal Dutch/Shell Group, said in an interview this fall, referring to the cost of a barrel. As a result, he said, increasing amounts of high-cost reserves have come into production.

One example of the impact of new technology is the Troll oil field, which lies beneath rock and 300 meters (1,000 feet) of water in the Norwegian North Sea. Just a few years ago, Royal Dutch/Shell complained that the oil in the field was contained in a reservoir too broad and thin to be economically viable. At the time, oil companies drilled wells

vertically and Shell would have needed to build several costly platforms to exploit the Troll reservoir.

Today, however, new horizontal drilling technology has made Troll's oil reserves more accessible. Production started in 1995 and, from just two platforms, has reached 250,000 barrels a day. Norwegian officials say the field eventually will produce a billion barrels of oil.

New technology is also moderating the growth in demand. Du Pont Co. has devised a plastic made from corn instead of petroleum products. The hybrid battery-and-fuel car is getting closer to reality. Boeing designed its 777 aircraft with computer technology, saving the cost of physical models and tests and coming up with a product that is 30 percent more energy-efficient than its predecessors.

One huge factor in the declining price of oil over the last year has been the economic crisis in Asia. Charles Ober, a portfolio manager at T. Rowe Price who specializes in energy companies, estimates that the Asian slump has drained 600,000 barrels a day out of world oil demand.

Moreover, he said, the industry and oil-producing countries had been counting on Asia to grow quickly, providing 42 percent of the increase in oil demand over a five-year period.

In that kind of market, oil companies have been competing hard for customers. The profit margin for refining a barrel of oil has narrowed to \$2.07 on the United States' Gulf of Mexico coast and to just \$1.50 in Singapore, Mr. Ober said. And lower crude oil prices are starting to squeeze production profits, too.

That is one reason the world's biggest oil companies have been merging and slashing overhead: The only frontier left to explore for profit growth seems to be within the companies themselves.

Royal Dutch/Shell said it would lay off thousands of workers, write off \$4.5 billion in assets and trim costs by \$2.5 billion a year in an attempt to clean up its balance sheet, increase return on equity and thus to be economically viable. At the time, oil companies drilled wells

Exxon Corp. and Mobil Corp., the two biggest spin-offs of the infamous Standard Oil trust in 1911, agreed to merge largely to save roughly \$2.5 billion a year by eliminating overlapping staff and expenses.

Companies have sharply reduced their assumptions about future oil prices. Royal Dutch/Shell recently cut its five-year forecast for Brent, the benchmark crude oil for the North Sea, to \$14 a barrel, down from a forecast of \$18 a year earlier.

Nonetheless, many analysts caution against assuming that prices will continue at current levels.

The slump in oil prices has galvanized the members of the Organization of Petroleum Exporting Countries, or OPEC, to attempt to curtail their production. Oil officials from Venezuela, Mexico and Saudi Arabia met last week in Spain and Saudi officials then flew to Norway, a key non-OPEC producer.

Mr. Moody-Stuart, the Royal-Dutch/Shell chairman, said three months ago that OPEC's "ambitions have sunk" and "they'd be very happy with \$17 oil." Today, the ambitions might be even more modest, but it remains unlikely that the group will be able to solve its perennial disputes over quotas and cheating by members.

Kuwait and Saudi Arabia are weary of sacrificing their own production while other OPEC members produce close to capacity. In November 1997, Saudi Arabia raised its production quota by 800,000 barrels a day despite soft prices.

The once-powerful cartel produces 29.9 million barrels a day, barely 40 percent of world oil and more than the 27.3 million-barrel-a-day quota its members agreed to implement in an effort to drive up prices. Venezuela and Iran are widely believed to be cheating on their quotas and producing more.

Iraq produced 2.45 million barrels a day in November under the United Nations food-for-oil program, said Todd Bergman, an oil analyst at Goldman, Sachs & Co. That was a million barrels a day more than Iraq produced a year earlier, further flooding the weakened

oil markets, Mr. Bergman said. Even if OPEC manages to squeeze its production enough so that world oil demand outstrips output, it will still take time to whittle down world oil stocks. Mr. Bergman estimates that there are 175 million barrels of oil inventories in excess of normal operating stocks. Mr. Ober estimates the extra inventory to run as high as 250 million barrels. Either way, it will take anywhere from six months to a year for markets to tighten and prices to rise substantially, the analysts say.

Despite the oil slump, European consumers have noticed relatively little change in retail gasoline prices, which consist mostly of steep taxes. Britain, despite hefty crude oil production from the North Sea, makes more money in retail gasoline taxes than from oil-production revenue.

"OPEC producers are deeply frustrated," Mr. Moody-Stuart, said in late September. "They produce oil at \$15 a barrel and consuming countries tax it at \$100 a barrel. Italy makes more money on oil than Saudi Arabia does."

Cathay Moves to Reduce Staffing Costs

HONG KONG (Reuters) — Buffeted by the Asian economic crisis, Cathay Pacific Airways Ltd. said Sunday it had offered crew members one month to choose among three options: voluntary retirement, a 3.5 percent wage increase for longer hours or maintaining the same status.

David Turnbull, chief executive of the airline, said recently that 1998 had been a devastating year in revenue terms, and that there was no sign of an immediate improvement in its outlook. And a company spokeswoman said Cathay had no plans to lay off any of its 4,000 crew members. Cathay's flight attendants' union was quoted in the Sunday Morning Post as saying the extra work hours and a new formula for calculating overtime meant a real wage reduction of 9 to 15 percent.

Thomson-CSF Plans to Cut 4,000 Jobs

PARIS (AFP) — Thomson-CSF, the French defense-electronics company, plans to eliminate about 4,000 jobs as part of a three-year restructuring plan.

The restructuring announced on Friday is part of a plan launched in the autumn by the new management of the company, which was privatized in June. The company employs about 50,000 workers, and management has sought to minimize the impact of the planned job cuts. It has said that there will be no "outright" layoffs and that "several hundred" jobs already eliminated since the autumn were included in the figure given Friday. A quarter of the 4,000 jobs concerned by the cuts will be in the European subsidiaries of Thomson-CSF. The company has predicted a loss of about 1.5 billion French francs (\$270 million) for the current year.

GEC to Make a Decision on Future 'Soon'

LONDON (Reuters) — The British electronics company General Electric Co. said Sunday it would decide soon about its future as speculation mounted about the future relationship between GEC, British Aerospace PLC and DaimlerChrysler Aerospace.

A spokesman for GEC said the company had been in "intense discussions" with several major participants in the global defense industry. "Discussions are continuing and GEC still expects to make a decision on its future strategic course soon," he said.

Moody's Sees Better Prospects for Seoul

SEOUL (AFP) — Moody's Investors Service Inc. said Saturday it planned to review for a possible upgrade South Korea's sovereign credit ratings because of its "vastly improved" external liquidity position.

Finance Ministry officials said a team from Moody's was expected to visit Seoul early next year before upgrading the credit ratings from the current "non-investment" grade to "investment grade."

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of trading Friday, December 18**

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(Continued)

Stocks	Div Yld	Sales	100s High	Low	Close	Chg	Stocks	Div Yld	Sales	100s High	Low	Close	Chg	Stocks	Div Yld	Sales	100s High	Low	Close	Chg	Stocks	Div Yld	Sales	100s High	Low	Close	Chg	
Oncore	-	128	38	36	36	-	Orbital	-	2142	59	220	278	-	-	Optech	-	10176	204	116	124	-	Vertel	-	3655	21	174	172	-
Outback	-	102	20	19	19	-	Orbital Corp.	-	200	13	19	21	-	-	Orbcom	-	14774	472	32	37	-	Vestron	-	14774	27	175	175	-
Outlook	-	30	13	12	12	-	Orbital Sciences	-	100	12	11	11	-	-	Orbital	-	1763	10	176	176	-	Vestron	-	1763	10	176	176	-
Outsource	-	10	12	11	11	-	Orbital Sciences Corp.	-	100	12	11	11	-	-	Orbital	-	1763	10	176	176	-	Vestron	-	1763	10	176	176	-
Outsystems	-	10	12	11	11	-	Orbitronics	-	10	12	11	11	-	-	Orbital	-	1763	10	176	176	-	Vestron	-	1763	10	176	176	-
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SPORTS

Soccer Official Denies Bribe Allegation

Compiled by Our Staff From Dispatches

LONDON — Graham Kelly, who resigned last week as the head of the governing body of English soccer over an unauthorized £3.2 million loan to the Welsh soccer federation, said Sunday that the payment was not a bribe.

The payment, equivalent to \$5.3 million, has been widely interpreted as a monetary incentive to gain a Welsh vote in Wiseman's favor for election to the executive committee of FIFA, the governing body of world soccer.

Kelly, the former chief executive of the English Football Association, acknowledged that he and Keith Wiseman, the association's chairman, promised the money to the Welsh without telling the rest of the panel's executive committee.

But he said the payment was simply in keeping with the English association's policy of helping our poorer soccer federations.

He said he could not see

anything wrong if that policy had a positive effect on England's bid to win the 2006 World Cup.

"A bribe to me is somebody slipping something into somebody's back pocket and then they go away and stash it in the Bahamas," Kelly said.

"I went into it with the very good intentions of trying to seek to strengthen England's position in world football generally and in connection with the World Cup 2006 campaign."

"With hindsight it would have been better to come up front with it much more quickly than we did."

The English policy of helping other soccer nations came under scrutiny Saturday when the Daily Mirror, a British tabloid, listed some of the countries that the English association has been helping. The Mirror reported that the association had deals with Argentina, Mali, Botswana and Cameroon — all countries with seats on FIFA's ex-

ecutive committee.

The Mirror said Argentina was included in an exchange program for players and that its teams were invited to a youth tournament in England.

Mali has been helped by administrators and advisers, and Botswana was given a two-week referees' course.

Germany was quick to condemn the English association. "It is bad for the whole image

of sport," said Fedor Radmann, chief coordinator of the German bid for the 2006 World Cup.

Alec McGivern, director of England's 2006 campaign, backed Kelly's argument. He said it was England's duty to help other countries at one of the leading soccer nations.

"We are seen in the Third World as a wealthy footballing country and some of

those countries we talk to are looking for help," he said. "Yes, indirectly it may benefit the bid. But what is wrong with that, as long as you are funding genuine footballing projects?"

He added: "We are asking people to vote for us. What is more natural than for them to say 'Is there any way you can help us?' That's the real world." (AP, AFP, Reuters)

Amid Scandal, IOC Chief Faults Selection Process

The Associated Press

GENEVA — Juan Antonio Samaranch, president of the International Olympic Committee, said the IOC would likely find a new way to select Olympic host cities as a result of the widening bribery scandal.

"After this scandal, I believe that the IOC as a whole must accept that the system needs to change and that we can't continue like this," Samaranch said in an interview published Sunday in the Swiss newspaper Le Matin. "We are not happy with the way things are selecting organizing cities for the Games."

Samaranch said the Olympic movement should aim to follow the example of other large sports federations, which leave major decisions to their executive committees rather than to the full membership.

"But it's not easy to ask members to agree to cut off their own heads," he said. He said it was possible for IOC members to give their 11-member executive committee special powers.

Samaranch said the investigation into wrongdoing by Salt Lake City, the host for the 2002 Winter Games, should be completed at a meeting that day. Salt Lake City Olympic organizers have promised an independent inquiry into the scandal involving scholarship payments made to relatives of some IOC members by local officials during the Utah city's successful bid to host the 2002 Games.

The U.S. Olympic Committee has suggested opening its own investigation.

Meanwhile, Olympic sponsors have urged officials to fix the problems that threaten to tarnish the image of the event they pay so much to sponsor.

"We've expressed our concerns to the International Olympic Committee and they assured us they will take swift and effective action and we will monitor them to ensure that," said Ben Deutch, a spokesman for Coca-Cola Co., a longtime Olympic sponsor.

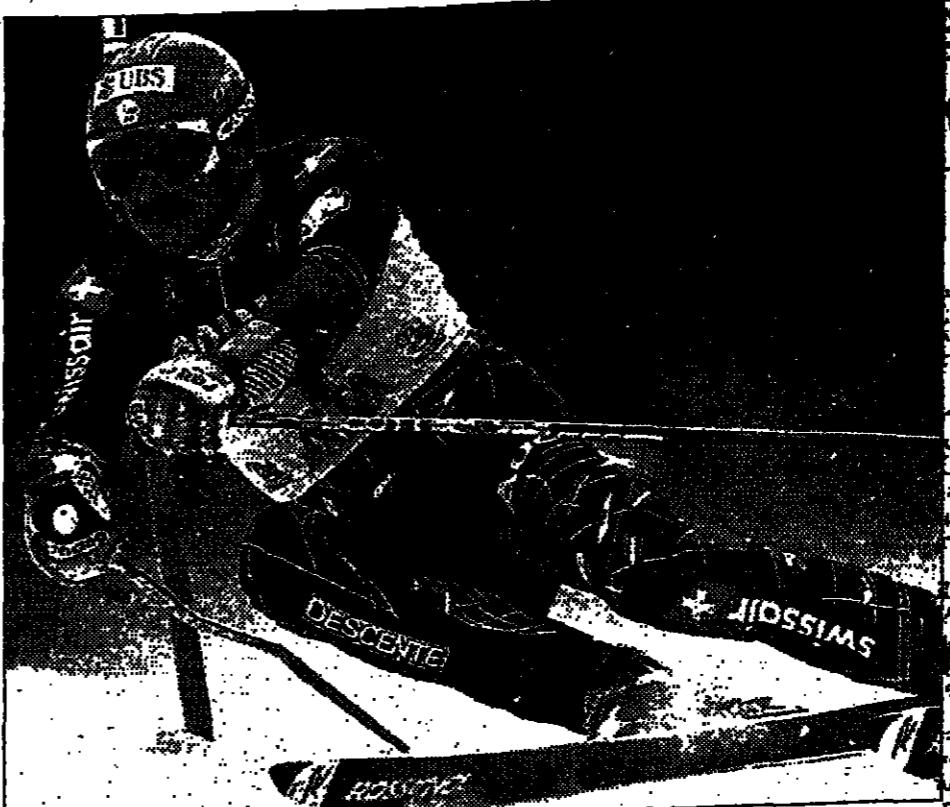
Bill Berry, a spokesman for Delta Air Lines, a sponsor for the Salt Lake City Games, said: "As an Olympic sponsor, we are very concerned that the Olympics keep the proper perspective, and any allegation raises a concern."

Suhail Attabalsi, son of a Libyan IOC member and a student at Utah Valley State College, told a newspaper his father would never sell his vote. He said checks for tuition and books from the scholarship fund stopped coming two weeks ago. "People think it is bribery," Attabalsi, 26, was quoted as saying in Samaranch's Desert News. "For us as Muslims, it is forbidden and we would not accept that. My dad, he knows God is watching him all the time."

On Saturday, the Salt Lake City Tribune reported that the Salt Lake Olympic Committee spent nearly \$10,000 on six Browning shotguns and rifles for people associated with the Olympics.

The firearms and other items — including a shotgun that would retail for nearly \$3,000 — were bought from July 1993 to May 1995 at approximately wholesale prices. Tom Welch, the bid committee's top executive, an avid hunter, has acknowledged that he gave gifts such as shotguns and skis to visiting IOC members.

The IOC has reassured Salt Lake City organizers that the 2002 Winter Games will stay in Utah.



Michael Von Gruenigen sweeping through a gate in the giant slalom Sunday.

Roten Gives Swiss Women A Rare World Cup Victory

Reuters

VEYSONNAZ, Switzerland — Swiss skiing fans were finally able to jangle their cowbells in celebration Sunday when Karin Roten won a World Cup slalom and ended two years of disappointment for her country.

Roten won on home snow in Veysonnaz, ending a drought for Swiss women that stretched back to January 1997 when Heidi Zurborgen, now retired, won a downhill in Cortina D'Ampezzo, Italy.

Michael Von Gruenigen capped the day for Switzerland when he skied a superb second run to win the men's World Cup giant slalom in the Italian resort of Alta Badia.

"This course was made for me," Von Gruenigen said. "It had all of the fast, technical turns that I like."

Patrick Holzer of Italy, the leader after the first leg, clung to second place in 2:41.77 to gain his first top-three finish since 1992. Lasse Kjus of Norway finished 10th but kept his lead in the men's overall standings.

In Saturday's men's World Cup downhill in Val Gardena, Italy, Kristian Ghedina of Italy won the race and Jean-Luc Cretier, the French Olympic champion, crashed. "I know that my career is almost certainly over," Cretier said.

In Veysonnaz on Saturday, Alexandra Meissnitzer of Austria won her first World Cup downhill of the year and her fifth victory in all World Cup races this season.



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SPORTS

Passes Lift the Packers To Victory Over Oilers

The Associated Press

Winter finally arrived in Green Bay on Sunday and so did the old Packers. By what was likely Reggie White's going-away party at Lambeau Field.

Brett Favre and Antonio Freeman connected on three long touchdown plays as the Packers beat the Tennessee Oilers, 30-22, on a snowy day and a slippery field. Favre left after three quarters with an ice bag pressed to his right hip.

Tennessee (8-7) saw its playoff hopes dim. The Oilers must beat now beat Minnesota and hope New England loses its season finale and Miami loses its last two games beginning Monday night against Denver.

The Packers, who clinched their sixth straight playoff berth Saturday night when Washington beat Tampa Bay, improved to 10-3, winning consecutive games for the first time in nearly two months.

The Packers' Pro Bowl tight end, Mark Chmura, left early in the game with a strained calf and did not return, but Freeman caught touchdown passes of 57, 68 and 32 yards in the first half. Freeman finished with seven catches for 186 yards, the second-best day of his career.

■ Redskins Take 4th Straight

After trailing the entire game, the Washington Redskins reeled off 13 points in less than eight minutes to claim a 20-16 victory over the Tampa Bay Buccaneers before a crowd of 66,309 at Jack Kent Cooke Stadium on Saturday. The Washington Post reported from Landover, Maryland.

The victory over the team with the NFL's top-ranked defense extended the Redskins' winning streak to four and boosted their record to 6-9 going into their season finale in Dallas on Dec. 27.

Herald Tribune INTERNATIONAL SPORTS

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MONDAY, DECEMBER 21, 1998

WORLD ROUNDUP

Matador Dead at 66

BULLFIGHTING Antonio Ordóñez, one of Spain's most respected matadors and a friend of Ernest Hemingway and Orson Welles, died Saturday at a hospital in Seville. He was 66.

Ordóñez, who was known for his frill-free, disciplined, classical style of bullfighting, had been suffering from an unspecified illness for months.

The son of a well-known bullfighter, Ordóñez was born in 1932. He became a professional bullfighter in 1951 and is known to have fought more than 2,000 bulls in a career that spanned 30 years. (AP)

Russians Make an Arrest

SOCCER Russian policemen have arrested a man they say is a Spartak Moscow fan on charges of throwing acid on Oleg Veretennikov, a Rotor Volgograd striker, and his 3-year-old daughter.

Itar-Tass news agency reported from Volgograd on Sunday that Veretennikov, the top scorer in the Russian league for the past two seasons, had identified the man.

His daughter, Tatyana, suffered severe burns to her face in attack near their home Oct. 29. The player was burned on the hand as he tried to shield her. The child later had plastic surgery in Israel. (Reuters)

Tar Heels Run to Victory

FOOTBALL North Carolina won the first major bowl game of the season when it beat San Diego State, 20-13, in the Las Vegas Bowl.

On a windy afternoon, North Carolina's two quarterbacks, Oscar Davenport and Ronald Curry, his rookie backup, completed only four passes for 33 yards.

Curry was the leading rusher in the game, running 10 times for 93 yards out of North Carolina's total of 163, including a 48-yard run for a touchdown on the last play of the first quarter that put the Tar Heels ahead for good. (AP)

• Massachusetts upset the top-ranked Georgia Southern, 55-43, in Chattanooga to win the Division I-AA championship. The Minutemen, who went 2-9 last season, finished at 14-1 in their first season under Coach Mark Whipple.

Marcel Shipp, the Massachusetts running back, had a title-game record 244 yards rushing.

Massachusetts set a game record for points. The teams combined for the most points in a title game. (AP)

Test Match Rained Out

CRICKET The first test between New Zealand and India was abandoned in Dunedin on Sunday without a ball being bowled after a third day's play was lost to rain.

• Thick fog wiped out play for the fourth consecutive day in the third and final test between Pakistan and Zimbabwe in Islamabad. (Reuters)



Jon Dahl Tomasson, right, of Feyenoord Rotterdam kicking the ball watched by Sunday Olisich of Ajax.

China Is Golden as Asian Games End

The Associated Press

BANGKOK — Lee Bong Ju pulled away from Akira Manai in the men's marathon Sunday, punctuating South Korea's victory over Japan in the battle for second place in the Asian Games gold-medal standings.

China was far ahead of both, finishing with 129 of the 378 gold medals awarded, or 34 percent. At the previous games in 1994, China took 135 of 342 golds, or 39 percent.

Lee's triumph left South Korea ahead of Japan in golds, 65 to 52, although Japan was ahead in total medals, 180 to 165.

After Lee won the games' final race by nearly a minute, he ran a victory lap holding a South Korean flag while Manai took one step over the finish line and hung his head in fatigue.

About 11 hours after Lee finished the race, Crown Prince Maha Vajiralongkorn of Thailand formally closed the games as fireworks burst overhead and athletes mingled in the stadium.

In swimming and track events, the Chinese lost some ground to Japan compared with four years ago, although in other events where the Chinese dominated — such as diving and rowing — they said the Asian competition was too weak. Still, China's diving coach said his team faced hard work if it wanted to make a good showing at the 2000 Olympics.

Yuan Weimin, head of China's delegation to the Asian Games, said he was "basically satisfied, but not totally satisfied" with the performance of his country's athletes.

Looking ahead to Sydney in 2000



Lee Bong Ju of South Korea winning the men's marathon Sunday.

was a major theme for China, South Korea and Japan, while some of the smaller teams were happy just to shine in Bangkok on the Asian stage.

Thailand finished with 24 gold medals, twice its initial target and twice its previous best finish, in 1966. That total tied it with Kazakhstan for fourth place in golds. Hong Kong, which had won just one gold medal in Asian Games history, came out with five.

Lee, who missed a gold medal in the 1996 Olympic marathon by three seconds, said: "Now I have two goals: a gold medal at the Sydney Olympics and to break the world marathon record,

maybe next year at London, Rotterdam or Boston."

China's women weightlifters did much of the world-record setting, breaking marks on all seven days of their competition.

Japanese runners shone in the track events. Koiji Ito just missed joining the exclusive club of men who have run the 100 meters in less than 10 seconds, timing in a 10-flat semifinal before winning the gold in a slightly slower time.

On Sunday, Ito received a \$100,000 award as the best athlete of the games.

Teruji Kogake, leader of the Japanese delegation to the games, said: "Our total number of gold medals did not reach our target." He noted that Japan lost to South Korea in 14 of 15 team sports, suffering sound defeats in baseball and volleyball.

But neither of those countries — which will co-host the 2002 World Cup — made the final four of the Asian Games soccer tournament. In the final, Iran beat Kuwait, 2-0. China shut out Thailand, 3-0, for the bronze.

There were only two positive tests for doping as of Sunday, compared with 15 at the 1994 games when 11 Chinese in track and swimming were disqualified.

Both cases at these games were weightlifters — a Jordanian and a Kuwaiti — who finished no better than seventh in their events.

"I hope we don't have any more in future," said Sheikh Ahmad al Sabah, president of the Olympic Council of Asia, the games' governing body. "I am very happy that there have been only two cases, not important cases, not involving champions."

Late Nakata Penalty Slows Fiorentina

Italian Leader Draws, 2-2, at Perugia

Compiled by Our Staff From Dispatches

Hidefumi Nakata scored with a penalty kick in the 95th minute Sunday to give Perugia a 2-2 draw against Fiorentina, cutting the Serie A leader's advantage to three points heading into the winter break.

The teams had played five extra minutes for injuries and other delays

EUROPEAN SOCCER

when Martinez Amor, Fiorentina's Spanish midfielder, used his hand to block a pass in the penalty area.

Fiorentina had appeared to be headed for another victory, again thanks to Gabriel Batistuta.

The Argentine striker gave visiting Fiorentina a 2-1 lead with 17 minutes to play when he scored with a header. It was his league-best 14th goal of the season, and it came in Fiorentina's 14th Serie A game of the season.

Perugia, which led 20 seconds into the match on Milan Rapajic's header, pressed forward and was rewarded when Nakata calmly hit his seventh goal of the season.

Parma moved up to second by beating Empoli, 3-2, as Diego Fuser scored two goals and set up two others.

AC Milan is third after a 2-2 draw against Sampdoria, whose new coach, David Platt, watched from the stands.

Ariel Ortega, an Argentine midfielder making his return after a suspension for drunken driving, curled in a penalty kick with four minutes remaining to tie the score for Sampdoria.

Inter scored four goals in the second half to beat visiting Roma, 4-1. Paulo Sergio gave Roma the lead just before half time. Benoit Caulet leveled after 59 minutes. Ivan Zamorano put Inter ahead with 13 minutes to play. Roberto Baggio and Javier Zanetti added further goals in the last three minutes.

Juventus, the defending champion, snapped a three-game losing streak and ended a club-record goal drought by beating Salernitana, 3-0. Filippo Inzaghi scored all three goals. His first ended Juve's goalless stretch at 511 minutes.

NETHERLANDS The defender Kees van Wonderen scored in the 72nd-minute equalizer to earn Feyenoord Rotterdam the Dutch league leader, a 1-1 draw with its old rival Ajax Amsterdam.

The draw put Feyenoord six points ahead of Vitesse Arnhem and nine ahead of Ajax as the Dutch league starts a break that lasts until February.

Benito McCarthy, a South African striker, gave visiting Ajax the lead in the 39th minute, crowning a spell of pressure that followed a lifeless opening half hour. But Feyenoord fought its way back into the match in the second half and missed a number of good chances after Van Wonderen's equalizer.

ENGLAND Dennis Bergkamp, Patrick Vieira and Emmanuel Petit scored as Arsenal revived its defense of the English Premier League title with a 3-1 victory over visiting Leeds on Sunday.

Arsenal rose to sixth, behind Leeds on goal difference. It is four points behind

leader Chelsea, which moved top Saturday by beating Tottenham, 2-0.

Bergkamp gave Arsenal the lead in the 28th minute when his miss-hit shot fooled Nigel Martyn, the Leeds goalie.

Gilles Grimandi of Arsenal, who had been on the field for barely 15 minutes, was expelled for head-butting Alan Smith of Leeds with four minutes left.

Aston Villa, which plays at Charlton Athletic on Monday in second.

Manchester United is third. It lost, 3-2, to fourth-place Middlesbrough on Saturday. It was Middlesbrough's first victory at Old Trafford since 1930.

SPAIN Mallorca increased its lead in the Spanish league despite drawing, 1-1, against lowly Racing de Santander in the final round of matches this year.

Mallorca took the lead in the 35th minute with a goal by Dani Garcia Lira but Victor Sanchez drew Racing level in the 71st minute.

Mallorca's closest rivals both lost. Celta stayed second after falling, 2-0, to Real Sociedad. Darko Kovacevic scored both goals for the San Sebastian team. Valencia lost, 2-1, to Espanyol in Barcelona.

Real Madrid slipped to eighth after losing, 1-0, to Oviedo. Julio Cesar Delvaldez of Panama scored the goal.

Barcelona ended a run of four consecutive defeats with a 1-0 victory over Valladolid. Xavi Hernandez, an 18-year-old, scored the only goal.

FRANCE Marseille goes into the French winter break with a three-point lead over Bordeaux after beating Le Havre, 2-0, on Saturday.

Robert Pires, signed from Metz in the summer, scored a goal in each half to clinch the points in Marseille.

Bordeaux thrashed Metz, the runner up last season, 6-0. It was the biggest victory in the French first division this season. Lilian Laslandes scored a hat-trick. Johan Micoud scored twice and Sylvain Wiltord once.

The championship is turning into a two-horse race: Marseille has 47 points and Bordeaux 44. Lyon and Rennes are a joint third with 32 points.

PARIS Saint-Germain ended a catastrophic year with a 2-0 defeat at home to Lorient. Patrice Loko — sold by PSG to the Breton club last month — scored both goals.

GERMANY Bayern Munich beat Wolfsburg, 3-0, Saturday to end a burst of three matches in six days.

Last Sunday morning, Bayern was second in the Bundesliga, but by Saturday night it was eight points clear as the league headed into its winter break.

Bayern started the run by crushing Bayer Leverkusen, which had led the table, 3-0. On Tuesday, Bayern strolled past Borussia Moenchengladbach, 2-0.

On Saturday, Christian Jancker headed the first goal after 40 minutes. Giovane Elber headed the second in the 86th and Hasan Salihamidzic converted a penalty just before the end.

Leverkusen struggled to a 1-1 draw against Hansa Rostock despite playing against 10 men in the second half.

(AP, Reuters, AFP)

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